PARLIAMENTARY DEBATES

(HANSARD)

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HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTIETH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
THIRTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1987-88

COMPRISING PERIOD
9 MAY—20 MAY 1988

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

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HER MAJESTY QUEEN ELIZABETH II

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House of Commons

Monday 9 May 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENERGY

Energy Production

1. **Mr. Forth:** To ask the Secretary of State for Energy what proportion of the nation's energy production is provided by the private sector; and what was the proportion in 1979.

19. **Mr. Hunter:** To ask the Secretary of State for Energy what proportion of the nation's energy production is provided by the private sector; and what was the proportion in 1979.

The Secretary of State for Energy (Mr. Cecil Parkinson): Provisional figures indicate that the private sector currently accounts for 70 per cent. of indigenous production of primary fuels, compared with 55 per cent. in 1979.

In terms of final energy consumption met by the private sector, that represents an increase from 41 per cent. in 1979 to 73 per cent. now. After the privatisation of the electricity supply industry that figure should rise to 87 per cent.

Mr. Forth: I thank my right hon. Friend for that most encouraging reply. Will he confirm his belief that this process has been good for both the consumer and the country as a whole, and will he say whether he has any immediate or long-term plans to extend that proportion of private provision even further?

Mr. Parkinson: The Government have made their position clear. They believe that energy provision, as well as most other industrial and commercial activities, are best carried on by the private sector, and we shall be pursuing that policy with the other industries for which, at present, we have no immediate plans for privatisation.

Mr. Hunter: Although I quite unreservedly welcome and applaud the private sector's increased role in energy production, will my right hon. Friend take this opportunity to comment on the successful implementation of the Government's wish to see increased competition in energy production?

Mr. Parkinson: As my hon. Friend knows, a prime purpose of our electricity privatisation proposals is to create competition in generation. We believe that, in the long term, that offers the best prospects for keeping down prices to the consumer.

Neighbourhood Energy Action

2. **Mr. Knapman:** To ask the Secretary of State for Energy what level of grant he has approved for neighbourhood energy action and energy action Scotland in 1988-89.

The Minister of State, Department of Energy (Mr. Peter Morrison): My Department's grant to neighbourhood energy action will be £392,000 and to energy action Scotland £68,000.

Mr. Knapman: I thank my hon. Friend for that reply. Will he confirm that those figures represent an increase, and will he tell us what part the private sector plays in those projects?

Mr. Morrison: I confirm that those figures are an increase. Last year we paid £341,000 to neighbourhood energy action and £57,000 to energy action Scotland, so

there are increases of about 15 and 19 per cent. respectively. The private sector plays a part, but I have made it clear that I hope that next year the two bodies will be able to encourage the private sector to play a substantially increased part.

Mr. Matthew Taylor: The Minister may be aware that, under the new employment training programme, there is worry that funding will not be sufficient for energy projects and that approved training organisations will not be keen to keep them going? Will he liaise with officials at the Department of Employment about that, and has he any helpful advice to offer for those projects?

Mr. Morrison: I appreciate, as does the hon. Gentleman, that negotiations must take place as a result of the change, but I am assured that the Manpower Services Commission is keen to ensure that those projects are able to continue.

Electricity Supplies

3. **Mr. Tam Dalyell:** To ask the Secretary of State for Energy, pursuant to his reply of 28 March, *Official Report*, columns *719-20*, what consideration he has given to the implications for the promptness with which electricity supplies can be called up in an emergency by the grid controllers, of possible differences in interpretation of the contractual obligations to be placed on private generating companies; what assessment he has made of the effects on the cost of operating the grid of changing to a contractual relationship between the grid controllers and private suppliers; and if he will make a statement.

Mr. Parkinson: All generators will have a commercial and contractual interest in ensuring that the power supply system does not fail in an emergency. Operating procedures in emergencies will be set out clearly in their contracts, and the ability of the grid controllers to manage emergencies should be unaffected. We believe that any costs will be outweighed by the benefits of competition and diversity.

Mr. Dalyell: Why do the Government think that they know better than Lord Marshall?

Mr. Parkinson: The Government think that they know better than Lord Marshall because, although he is a learned and powerful figure in the industry, he is only one voice. There are many other people in the industry who know just as much about transmission as he does and who do not agree with him. The president of the Institution of Electrical Engineers does not agree with him. Our professional advisers advised us that what we wished to do was technically possible. Lord Marshall accepts that it is technically possible. He believes that costs will be involved. We believe that those costs are sustainable and will be more than outweighed by the savings from diversity.

Mr. Rost: What assessment has my right hon. Friend made of the benefits that will result when area boards are able to use the grid to shop around for competitive contracts from new private producers?

Mr. Parkinson: We think that that is precisely the sort of competition and diversity of supply of electricity that will give rise to competition in prices and will benefit the customer. That will compensate for some of the possible additional costs of ensuring that the system remains safe.

Mr. Prescott: The technical argument over whether the Secretary of State or Lord Marshall is right will continue, but can the right hon. Gentleman assure us that it is still his belief that prices will be cheaper under the privatisation system and grid separation? He may have seen a recent report by National Utility Services Ltd.—it was produced two days ago—that electricity prices under privatisation will be far more expensive than hitherto and are likely to be the most expensive in Europe.

Mr. Parkinson: The company to which the hon. Gentleman referred is not entirely unbiased in this instance. It makes its living by giving advice on how to reduce power bills. It therefore has a vested interest in pretending that the bills are extremely high. It has an entirely unrepresentative sample of customers and we prefer to believe the CBI and the Electricity Council, which have agreed figures. I congratulate the hon. Gentleman on discovering—wrongly in this instance—an enthusiasm for the private sector.

Flue Gas Desulphurisation

5. **Mr. Heathcoat-Amory:** To ask the Secretary of State for Energy how many flue gas desulphurisation units are being fitted to coal-fired power stations.

The Parliamentary Under-Secretary of State for Energy (Mr. Michael Spicer): The CEGB has announced plans to retrofit FGD equipment to the six generating units at Drax power station and four generating units at Fiddler's Ferry. In addition, FGD equipment will be fitted to the generating units of all new coal-fired power stations.

Mr. Heathcoat-Amory: This equipment is essential to prevent acid rain, but is my hon. Friend aware that each unit consumes 300,000 tonnes of limestone a year? This has to be quarried at places such as the Mendip Hills in my constituency. Will my hon. Friend take this environmental damage into account in deciding which type of power station to order in future?

Mr. Spicer: I can give my hon. Friend a number of assurances. First, there is no question of the Mendip Hills being used for the extraction of limestone for this purpose. Nor is there any question of national parks being used. I understand that less than 0·3 per cent. of the limestone that is nationally produced is used for each power station.

Sir Trevor Skeet: Will my hon. Friend give me advice on the cost of removal of sulphur dioxide and NOx from a 2,000 MW power station? Obviously this will increase the cost considerably.

Mr. Spicer: The best available figure for a 2,000 MW power station is £200 million.

Electricity Industry

6. **Mr Thurnham:** To ask the Secretary of State for Energy what recent representations he has received about statutory obligations and supply regulations in the electricity supply industry following privatisation; and if he will make a statement.

Mr. Parkinson: I have received many representations on electricity privatisation, including comments on the proposed revisions to the electricity supply regulations.

Mr. Thurnham: In looking ahead to 1992, can my right hon. Friend say whether reciprocal registration agreements will be used with our European partners, most of whom, I understand, require registration now?

Mr. Parkinson: This is strictly a matter for my right hon. Friend the Secretary of State for Trade and Industry, who is dealing with this aspect of 1992. We have a meeting arranged with the Electrical Contractors Association, and I shall be interested to hear the views of its members.

Mr. Cryer: Does the Secretary of State agree that privatisation and competition involve cost-cutting exercises to increase profits? That is the main motivation of running private concerns rather than services. What guarantee does he have that directors in the privatised sector will not be as incompetent and criminally irresponsible as the directors of Townsend Thoresen?

Mr. Parkinson: The hon. Gentleman is making the mistake of assuming that profits can come only from what he describes as cost cutting, which implies sacking employees and behaving anti-socially. Operating efficiently can provide a useful source of profits and a useful source of help for the customer, who enjoys a keener price.

Mr. Andy Stewart: When the supply regulations are introduced after privatisation, will British Coal be allowed to compete fairly and equally with foreign imports, which can be dumped here in the short term to decimate the British industry before prices are increased?

Mr. Parkinson: My hon. Friend knows that there is a huge market for coal that will exist way into the foreseeable future. Most of our electricity will come from coal. The Government have invested more than £9 billion in the past nine years to ensure that we have a modern, efficient British coal industry. Therefore, there is a market and the industry has been given the investment. If that is used properly, the British coal industry has nothing to fear.

Mr. Prescott: Will the Secretary of State confirm that his consultative document, in which he promised new rights for consumers, includes provision in the regulations for the duty to supply—which may be prosecuted for at the moment—to be prosecuted only through civil actions agreed by the director general of electricity supply? Will he also confirm that the duty to supply will now be reduced to supply on reasonable terms? Finally, will he confirm that the right to disconnect—which is qualified at the moment—will be unqualified? That is clearly a reduction of consumers' rights and in conflict with the Secretary of State's promise in his White Paper.

Mr. Parkinson: I do not know where the hon. Gentleman got those findings. No decisions have been taken on those matters. We are in the middle of a process of consultation about the possible supply regulations and no decisions of any kind have been taken. They will be taken after consultation.

Electricity Costs

8. **Mr. Hannam:** To ask the Secretary of State for Energy what plans he has in drawing up the regulatory framework for the electricity industry to include energy efficiency as an option for ensuring that electricity is supplied to the consumer at the lowest possible cost.

Mr. Michael Spicer: The details of the regulatory framework, including their effect on energy efficiency are being considered with the Department's advisers. The regulatory system will encourage the industry to meet its customers' requirements at least cost.

Mr. Hannam: While welcoming my hon. Friend's reply confirming that energy efficiency is one of the options under consideration, may I ask whether he accepts that if we are trying to achieve the right balance between low-cost electricity for the consumer and profitability for the utilities, the means of ensuring energy efficiency must be included in the powers given to the regulator and they must be strong enough to ensure efficiency at the generating and distribution ends?

Mr. Spicer: I listened carefully to what my hon. Friend said and we shall bear his remarks closely in mind. Our regulatory framework will be designed to promote energy efficiency through competition, especially among generating companies.

Mr. Darling: Is the Minister still convinced that the insistence on providing a substantial proportion of electricity generation through the nuclear industry is the best means of providing low-cost electricity, especially in view of the difficulties and unknown costs of decommissioning and in light of this morning's report in *The Guardian* which suggests that nuclear power stations are running at below their generating capacity because of loading and unloading difficulties?

Mr. Spicer: The Government's position on that is quite clear. We believe that there should be a minimum of nuclear energy in this country, for efficiency reasons. Also, there is no way in which we can tell at the moment what the price of fossil fuels will be in 20 years' time. Therefore, there is a very good reason for nuclear energy on economic grounds. Leaving that aside, we believe that there should be a thriving nuclear industry, to ensure that we have a wide variety of energy sources.

Mr. Jack: What steps is my hon. Friend taking to ensure that all branches of the Government respond enthusiastically to offers of private sector money to invest in energy-saving measures?

Mr. Spicer: The first step that I can take is to ensure that my hon. Friend's remarks are widely read.

Mr. John Garrett: Will the Minister agree that for years the Government have claimed that their objective is to make Britain the most energy-efficient nation and that the Prime Minister set us a target of a saving of £7 billion on fuel bills? How will that be achieved unless the regulatory body has very strong powers and a duty to promote energy conservation? Is it not a fact that the present Secretary of State for Energy has much less interest in and commitment to energy efficiency than his predecessor had?

Mr. Spicer: I listend carefully to my hon. Friend the Member for Exeter (Mr. Hannam) and to what the hon. Member for Norwich, South (Mr. Garrett) has just said about the need for efficiency as one of the criteria within the regulatory regime. I must repeat that a prime way of achieving efficiency, at least thermal efficiency, is through competition among generators, and we shall ensure that the regulatory regime includes that.

Fast Breeder Reactor, Dounreay

9. **Mr. Haynes:** To ask the Secretary of State for Energy if he will make a statement on the future funding of the fast breeder reactor project at Dounreay, Scotland.

Mr. Parkinson: My Department reviews its expenditure on research and development each year, including that on the fast reactor. All options are considered, but no decisions have yet been taken.

Mr. Haynes: I know what the Secretary of State is up to. I can read it like a book, and I can read him like a book, too. There is a cut back on the financing of future projects. The same is true of research and development.

Mr. Parkinson *indicated dissent.*

Mr. Haynes: The Secretary of State should not look surprised. We know what is going on. The Government are cutting back on expenditure with a view to privatisation, so that they can have a cheap rake-off in other public industries. Here we go again, this time with electricity.

Mr. Speaker: Briefly, please.

Mr. Haynes: I shall be brief, Mr. Speaker. I ask the Secretary of State to come off it and to be honest at the Dispatch Box with the people of this nation.

Mr. Parkinson: I thank the hon. Gentleman for his brevity and for the quietness with which he asked his question. This matter is in no way connected with the privatisation of electricity. The only connection is that the CEGB has been funding 30 per cent. of the cost of the fast reactor. The fact that it has taken a decision about its expenditure in no way affects the overall decision on the fast reactor. It is a complex issue and one to which we are giving serious consideration. It also has international aspects. Above all, it has enormous implications for the people of Caithness and Sutherland. We recognise our obligations to them, and when I am ready I shall come to the House with a statement about our policy. We are not ready to do so yet, and we are not prepared to be bounced by inaccurate newspaper articles.

Mr. Haynes: On a point of order, Mr. Speaker. In view of the unsatisfactory nature of that reply, I beg to give notice that I shall seek to raise the matter on the Adjournment.

Mr. Maclennan: I thank the Secretary of State for his robust recognition of his obligations.

Mr. Speaker: Order. I am not able to hear the hon. Member. I shall have to call him on another question, because this matter is to be raised on the Adjournment.

Magnox Reactors

11. **Mr. Frank Cook:** To ask the Secretary of State for Energy what recent information he has received from the Nuclear Installations Inspectorate about the future decommissioning of Magnox nuclear reactors.

Mr. Michael Spicer: The future of the Magnox nuclear power stations in the United Kingdom is a matter for the operators concerned, subject to their meeting the requirements of the Nuclear Installations Inspectorate.

Mr. Cook: I should like to be able to thank the Minister for that reply, but there is not a great deal for which I can thank him. It was a fairly empty statement. Can the Minister tell the House whether he is prepared to require the NII to consider the option, on decommissioning Magnox stations, of strengthening their primary and secondary cladding to improve the integrity of their structure, and perhaps use the redundant, cavernous capacity of disused turbine halls for storing—under managed, monitorable and redeemable circumstances—the nuclear waste that is causing so much trouble? It would not have to be transported all over the country to new sites because we would have on site the expertise to do the job that needs to be done.

Mr. Spicer: The hon. Gentleman is extremely knowledgeable in these matters and has demonstrated his knowledge on this occasion. The Government do not tell the NII what it should do about its inspections, because the NII sets its own standards. We have full confidence in it and have made sure that it is fully staffed. The NII is the Government's expert body for ensuring standards, and we give it every support in maintaining those standards.

Mr. Campbell-Savours: Has the Minister received representations from the private sector on electricity generation under the fast breeder reactor programme? Will he place on record the statement that the FBR programme has been, and continues to be, a useful programme?

Mr. Spicer: I believe that that relates to the previous question and not to this one, which is about Magnox stations. They have nothing to do with fast breeder reactors.

Mr. Campbell-Savours: No, I am sorry, Mr. Speaker.

Mr. Speaker: Order.

Mr. Campbell-Savours: It was absolutely in order.

Mr. Speaker: I call Mr. Alexander Eadie.

South of Scotland Electricity Board

12. **Mr. Eadie:** To ask the Secretary of State for Energy if he has been informed by British Coal of progress made in its meetings with the South of Scotland Electricity Board regarding future coal burn at power stations.

Mr. Parkinson: These negotiations are a commercial matter for the two industries concerned, but I have asked to be kept informed.

Mr. Eadie: Does the Secretary of State not agree that, in the midst of the negotiations with British Coal, the South of Scotland Electricity Board is being provocative and threatening? We have learnt that between 20,000 and 30,000 tonnes of foreign coal are now at Rotterdam awaiting delivery to the SSEB in small cargoes, and that 3,000 tonnes have already arrived at the Kincardine power station in Scotland. Did the Secretary of State not endorse the three-month agreement to halt foreign coal imports, to give time for British Coal and the SSEB to reach an agreement on coal burning in this country?

Mr. Parkinson: As the hon. Gentleman knows, I have made my position very clear. I cannot force either party to reach an agreement, although I should like them to do so,

and I have been doing all that I can to encourage them. The negotiations are in hand, and I hope that they will be successful.

Mr. Maclennan: Is the Secretary of State aware that the SSEB is among the generating boards that are impressed not only by coal burn rates but by the burn-up rate of the fast breeder reactor—which is why it has put its weight behind the project for the future?

Mr. Parkinson: Yes. I want to make it clear that we wish to retain the fast breeder reactor technology for this country. The question is how we do that in the most economic way possible. As I said in answer to an earlier question, we are looking at all the aspects of the problem very carefully. I look forward to discussions with the hon. Gentleman when he comes to see me tomorrow.

Flue Gas Desulphurisation

13. **Mr. Pike:** To ask the Secretary of State for Energy whether he has recently discussed with the Central Electricity Generating Board its proposals for flue gas desulphurisation to reduce acid rain.

Mr. Michael Spicer: We are fully aware that the CEGB plans to fit FGD equipment at a cost of £600 million to 6GW of existing plant as well as on all new coal-fired stations.

Mr. Pike: In view of the growing concern about acid rain, both in this country and elsewhere in Europe, is the Minister satisfied that the CEGB is proceeding with the work as speedily as possible? Does the Minister not believe that it may be necessary to take action on some of the other power stations?

Mr. Spicer: The United Kingdom now has a 10-year sulphur dioxide emission control programme costing about £1 billion. We accept that that speed is appropriate for controlling emissions. It is not often realised that Britain has reduced its emissions by 40 per cent. since 1970, and by 25 per cent. by 1980. We have done a tremendous amount already to reduce emissions, and we intend to continue the programme.

Mr. Butler: My constituents will be very grateful for the £200 million investment in Fiddler's Ferry, but when my hon. Friend next meets the CEGB will he suggest that some disruption may be caused to the local community in Cuerdley and ask the CEGB to minimise that disruption?

Mr. Spicer: I am sure that the CEGB will read carefully in *Hansard* what my hon. Friend has said. The matter is clearly causing some local concern, and I am sure that the CEGB will be aware of that.

Mr. Patchett: With gas desulphurisation in mind, has the Minister discussed the future of the fluidised bed experiment at Grimethorpe, in my constituency? Will he make a statement?

Mr. Spicer: I am afraid that I cannot make a statement now, but the Grimethorpe plant is being considered very carefully.

Coal Industry

14. **Mr. Greg Knight:** To ask the Secretary of State for Energy, how much has been invested in the coal industry since April 1979.

Mr. Parkinson: Since 1979 the Government have provided British Coal with £9 billion of grants—together with substantial loan finance—of which £6 billion has been spent on capital investment.

Mr. Knight: Is not a healthy economy one of the prerequisites of any Government policy of substantial and continuing investment? Should not those who work in the coal mining industry be grateful to the Government, not only for supporting worthwhile investment, but for helping to create an excellent economic outlook for Britain? Does my right hon. Friend agree that the biggest threat to the industry and to jobs within it comes from those who instigate unnecessary strike action, such as Mr. Arthur Scargill, and those who support such action, such as the Leader of the Opposition? *[Laughter.]*

Mr. Parkinson: We shall all be voting for the hon. Member for Kingston upon Hull, East (Mr. Prescott).

It is important that modern working practices go with capital investment and that strikes and waste are eliminated. Provided that we have modern working practices to go with modern machinery, I see a very bright future for British Coal, but every strike and work to rule lessens the prospects for the industry.

Mr. Douglas: Will the Secretary of State concede that a substantial proportion of the investment in Scotland has been in the Longannett complex, and that that investment has been endangered by the cavalier attitude of the South of Scotland Electricity Board in importing foreign coal at dumped prices? I recognise that the Secretary of State has shown an interest in this matter, but what steps is he taking to protect the nation's investment in the Scottish coalfields —an investment that can get a return only if the coal is burnt in SSEB stations?

Mr. Parkinson: There are two things in our proposals which I believe will improve the prospects for the Scottish coal industry. First, we are strengthening the inter-connector to England and Wales, which means that there is a big potential market for the electricity produced from Scottish coal. Secondly—and I am pleased to say that Scottish miners have shown great good sense about this—we are encouraging the adoption of modern working practices.

Although the investment has been made, Scottish coal is still relatively expensive. Therefore, we have to find ways of reducing the costs and opening up for Scotland the prospects of a good market. We are also encouraging the two parties to get together. I believe that the Government are doing what they can to ensure a good future for Scottish coal.

Mr. Gow: Despite my right hon. Friend's legitimate pride in the amount invested in the British coal industry during the past nine years, will he confirm that the whole of that investment could have been made by the private sector? What greater justification is there for retaining the ownership of British Coal in the public sector compared with the Government's conviction that the oil industry should be in the private sector?

Mr. Parkinson: We have no plans at present, but it is our ambition that all the energy industries should be returned to the private sector. However, there is a limit to what we can do at any given time. I believe that privatising the electricity supply industry is a big enough job for us at present. I assure my hon. Friend that we have ambitions for the rest of the industries for which we are responsible.

Magnox Reactors

15. **Mr. John Garrett:** To ask the Secretary of State for Energy what representations he has received about the share of the costs of maintaining and decommissioning Magnox reactors to be borne by the privatised electricity supply industry.

Mr. Michael Spicer: After privatisation, nuclear power station operators will continue to be required to make appropriate financial provision for decommissioning and other long-term liabilities.

Mr. Garrett: Given the recent report on the very high cost of maintaining safety at Bradwell for the next four years, the likely costs of maintaining safety and maintenance at the other 10 Magnox stations and decommissioning costs of £250 million to £300 million each, who will be expected to pay for the deteriorating safety standards and decommissioning? As those stations are likely to have to be encased in concrete for 100 years, should not the Department make a statement on this issue as soon as possible?

Mr. Spicer: First, I deny that there is any question of deteriorating safety standards. The British nuclear industry has had a tremendous track record for safety, and we mean to keep it that way.

Secondly, all forms of energy safety have costs in terms of protection of the environment. Noisy and obtrusive windmills, potential radiological hazards from nuclear power, sulphur emissions from coal, which we have been discussing, or, indeed, disruption to bird life from estuarial barrages involve costs in protecting the environment. In that sense, there is nothing special about the nuclear industry. I repeat that, with privatisation, proper provision will be made for those costs in the accounts.

Mr. Matthew Taylor: The Minister will be aware that the advisory committee on the safety of nuclear installations has recommended that there should be a 50 per cent. increase in the number of Nuclear Installations Inspectorate personnel working on decommissioning. Will he tell the House how many are currently working on decommissioning and whether he will accept the advice to increase the numbers?

Mr. Spicer: I cannot give the precise number of those within the Nuclear Installations Inspectorate who are working on decommissioning, but I shall write to the hon. Gentleman if that figure is available. However, we are up to the complement of 120 inspectors, the target that we had set for 1 April, and I assure the hon. Gentleman that the Government will ensure that there is an adequate number of inspectors for the future requirements of the NII.

Electricity Prices

16. **Ms. Quin:** To ask the Secretary of State for Energy what further representations he has received about the rise in electricity prices.

Mr. Parkinson: I have received a number of representations about electricity price rises.

Ms. Quin: What is the Minister's reaction to the report that was published last week by National Utility Services, which shows that the United Kingdom is well on the way to becoming one of the countries with the most expensive electricity because of the targets that have been imposed on the industry by the Government? What initiatives does he intend to take to help those at the lower end of the income scale who are faced with electricity price rises?

Mr. Parkinson: As I told the hon. Member for Kingston upon Hull, East (Mr. Prescott), that company draws its statistics from a very narrow range of its own customers. It does not pretend to cover the whole industry. The CBI and the Electricity Council produce the most authoritative figures. They show that Britain is firmly in the middle of the list, for both industrial and domestic prices. The price increase this year is the first since 1985. Under the Labour Government prices increased ahead of the rate of inflation by more than 30 per cent. Under this Government they are 12 per cent. less than the rate of inflation, even after taking the present price increase into account.

Mr. Watts: Does my right hon. Friend agree that the best prospects for low-price electricity will come from his proposal to introduce competition into the generation of electricity and also from giving to the generating companies the right to buy their fuel, including coal, at competitive market prices?

Mr. Parkinson: Yes. Generation costs cover 80 per cent. of the cost of electricity. Competition in that area of the industry offers the best prospect of keen prices for the customer.

Ms. Gordon: Is the Minister aware that because of the increasing cost of electricity a growing number of poorer people are late in making their payments? In London they are receiving very aggressive and unpleasant letters from the electricity authorities, threatening them with court orders allowing the authorities to break into people's homes and install electricity meters if those poorer people are not prepared to sign a statement to the effect that they are willing voluntarily to have meters. A number of these letters have been received by people who are in hospital —often elderly people—and they have caused great distress. Will the Minister do something about it?

Mr. Parkinson: The hon. Lady knows that under the code of conduct the electricity authorities do not disconnect elderly people during the winter months. I should like her to tell her constituents that the electricity authorities are ready to listen to representations on behalf of consumers who have a real problem and who need help in the staging of the payment of their bills. I hope that the hon. Lady will agree that people should pay their electricity bills, just as they pay other bills. If they do not do so, the price of electricity for everyone will have to be increased.

Electricity Generation

17. **Miss Widdecombe:** To ask the Secretary of State for Energy when he last met with the electricity area board chairmen; and whether new electricity generation developments were discussed.

Mr. Parkinson: I have meetings from time to time with the area board chairmen, at which we discuss a number of issues of common interest.

Miss Widdecombe: In the course of those discussions, how supportive is my right hon. Friend of the idea of emphasis being placed on the future of renewable sources of energy?

Mr. Parkinson: We have a substantial programme of support for investigations into various sources of renewable energy. We are supporting about 218 individual programmes into sources of renewable energy, but most of the area board chairmen and other members of the industry recognise that the main source of electricity will be coal, atomic, gas and oil and that, although renewables will be a valuable peripheral supply, the prospect at present is that they will be a peripheral supply only.

Mr. Campbell-Savours: Has fast breeder reactor electricity generation been discussed? Will the Secretary of State place on record the fact that the fast breeder reactor programme has been, and continues to be, a useful and effective programme?

Mr. Parkinson: There is no question but that the fast breeder reactor offers a useful future source of energy. One of the problems is that, commercially, we are not likely to develop the technology for another 30 years. The debate is not whether we abandon the technology, but how we preserve it until we need it. I am pleased to confirm that we regard the fast breeder reactor as a potential source of electricity.

Electricity Industry (Regulatory Authority)

21. **Mr. Moss:** To ask the Secretary of State for Energy what progress he has made in considering the setting up of the regulatory authority for the electricity supply industry; and if he will make a statement.

Mr. Parkinson: All aspects of the regulatory regime are being actively considered with our advisers. We have also had helpful discussions with the electricity supply industry and other interested bodies. I am pleased to say that we are making good progress.

Mr. Moss: I thank my right hon. Friend for his reply. Will he endorse the conclusions of a recent study of energy utilities in the United States, which showed that the companies with the best credit rating and whose bonds were most popular on the market incorporated energy-efficiency responsibilities into their regulatory framework?

Mr. Parkinson: As my hon. Friend said, we intend that the regulators should be responsible for the promotion of the advantages of energy efficiency. We are not prepared to go as far as some critics would wish. We do not seek to impose on people the obligation to save electricity in their homes and to impose on companies an obligation to make energy-saving arrangements. We are in the business, as will be the regulator, of encouraging the efficient use of energy.

THE ARTS

National History Museum

39. **Miss Lestor:** To ask the Minister for the Arts what have been the administrative costs of admission charges at the Natural History museum in 1987-88.

41. **Mr. Boyes:** To ask the Minister for the Arts what was the level of admission to the Natural History museum in 1987-88.

The Minister for the Arts (Mr. Richard Luce): The administration and monitoring of admission charges at the Natural History museum are matters for the museum's trustees. On 9 April the trustees announced that the number of visitors to the public galleries, including the geological and zoological museums, during 1987-88 was 1,633,000, and that the net receipts from admission charges were £1,352,000.

Miss Lestor: Does the Minister put in the debit or credit column the amount being charged to the 50 Third world countries which use the Natural History museum for research into a variety of matters, such as mosquitoes, blood worms and various parasitic diseases? As the Overseas Development Administration uses that museum for research, will he say what discussions he has had with his hon. Friend the Minister for Overseas Development about the effect that that will have on the ODA's budget?

Mr. Luce: There are a number of sectors in which it is sensible for the Natural History museum to collaborate on research projects with people in other countries. It is for the trustees to decide what priority should be given to projects, but it is only reasonable that the essential costs of that service should be covered.

Mr. Boyes: Do not the figures that the Minister has given hide the fact that attendances at the Natural History museum are at least 40 per cent. down? Does that not mean that many people who get much pleasure and education from visiting the museum are, because of charges, being denied access to it? As the figures show that the numbers of visitors are dropping, will that not inevitably lead to redundancies and low morale among the staff? Should not the Minister withdraw these charges immediately?

Mr. Luce: The trustees must decide whether to accept voluntary donations or make admission charges. It is absolutely right that they should decide whether to introduce charges. The Natural History museum introduced charges just over a year ago. It has increased its overall resources by £1,300,000 and announced that it will improve its facilities as a result. The public, therefore, will get a better service. We find that although in the initial stages of the introduction of admission charges there is a drop in attendances, it does pick up. Attendances at the National Maritime museum increased by 16 per cent. last year compared with the previous year. That museum has introduced admission charges. It is only right that we should leave such decisions to the museums. And they should use that money to increase overall services and facilities for the public.

Mr. Jessel: Have the Government upheld their grant to the Natural History museum, regardless of any charges?

Mr. Luce: I can confirm that without any shadow of doubt. The amount given to the Natural History museum has gone up in real terms by 37 per cent. during the past nine years. Moreover, it has had its funding earmarked for the next three years so that it knows what money it will have. In no way has punitive action been taken on account of the introduction of charges.

Mr. Harris: Can my right hon. Friend explain why museums and galleries are sacrosanct? Why should trustees not be able to raise extra revenue to supplement Government grants if that is what they want, just as their counterparts do in practically every other country?

Mr. Luce: My hon. Friend is right. As he says, it is for the trustees to decide. Western and Communist countries have museum charges in addition to basic Government funding. The choice should be open to museums and galleries. If they make charges, however, what matters is that they show the public how facilities will be improved to their benefit.

Mr. Fisher: Does the right hon. Gentleman not understand that the figures that he gave the House should be compared with the 3·3 million admissions the year before? Is he aware that his figures show a drop of 40 per cent. on the previous year? The trustees have not been anxious to introduce charges, but they have been forced to do so because the Government are under-funding and neglecting their service. That neglect is documented in the National Audit Office report, which shows under-funding in conservation, research, display, cataloguing, building maintenance and the rest. Is it not time that the Minister faced the time bomb ticking away under our national museums, recognised his responsibilities, and funded museums and galleries properly?

Mr. Luce: The hon. Gentleman is talking nonsense. He is fishing around for a crisis when there is none. He says that funding has been diminished, but since 1979 it has increased by 26·5 per cent. in real terms. That is not a crisis. Funding has increased. Moreover, in the next three years we shall increase funding for museums and galleries by just under 16 per cent., and this year we shall increase by 20 per cent. the money available for building and maintenance. The Government are earmarking £11 million for increased storage. We can be proud of our record.

Museums and Galleries

40. **Mr. Key:** To ask the Minister for the Arts how much income is generated by public museums and galleries through providing shops and refreshment facilities on their premises.

Mr. Luce: In the present financial year the national museums and galleries that I sponsor expect their income from non-grant sources, including catering and trading, to exceed £20 million. I have taken a number of measures to encourage and facilitate their efforts to increase such income.

I have given the Museums and Galleries Commission a special allocation for the next three years to help non-national museums and galleries improve their performance in this area.

Mr. Key: Can my right hon. Friend assure those galleries and museums that respond to public demand for these services and generate extra income from them that they will not have their grant cut pro rata?

Mr. Luce: I can confirm without any doubt that there will be no reduction whatever; nor will there be any adjustment to grants for any of the national museums and galleries on account of extra income from the private sector.

Mr. Menzies Campbell: Does the right hon. Gentleman agree that any contribution made by shops and cafes is no substitute for proper public funding of museums and galleries? Does he also agree that this generation has an obligation to pass on the nation's heritage in at least as good a condition as we inherited it? Is he satisfied that sufficient money is being provided for storage, maintenance and restoration of the many objects in musums that are in sad need of proper care?

Mr. Luce: My sole interest is to see an overall increase in the resources of museums and galleries. It would be absolute folly to say that if private sector income increases we should reduce the private sector income accordingly. That would not be an incentive to increase the overall resources. That is my objective, and that is what we are doing, to such an extent that today the national museums and galleries raise at least £20 million from private sector resources.

USSR

42. **Mr. Knapman:** To ask the Minister for the Arts what steps he is taking to encourage cultural exchanges with the Union of Soviet Socialist Republics.

Mr. Luce: The majority of cultural exchanges with the USSR take place within the framework of the Anglo-Soviet cultural agreement. The memorandum of understanding signed by my right hon. Friend the Prime Minister at the time of her visit to Moscow last year has helped to provide a further impetus for such activity. I shall be making an official visit to the Soviet Union next month and shall do what I can to encourage further exchanges.

Mr. Knapman: Does my right hon. Friend agree that such exchanges and visits help the cause of world peace and detente? Can he give any details of likely exchanges over the next few months?

Mr. Luce: There is no doubt that arts and culture help to break down national barriers, because in so many areas culture does not know or understand those barriers—it goes beyond that. Therefore, exchanges between the Soviet Union and this country in the performing arts and heritage should be warmly welcomed. The National Theatre is about to tour the Soviet Union, and arrangements are being made for the exchange of exhibitions between museums in this country and the Soviet Union.

CIVIL SERVICE

Recruitment

66. **Mr. Mans:** To ask the Minister for the Civil Service what new initiatives have been introduced to encourage recruitment to the Civil Service.

The Minister of State, Privy Council Office (Mr. Richard Luce): Examples of a number of initiatives aimed at attracting as wide a field of qualified candidates as possible are given in the Civil Service Commissioners' annual report for 1987, which was placed in the Library of the House on 20 April.

Mr. Mans: I thank my right hon. Friend for that answer. What efforts are being made to recruit people into the Civil Service at a later stage who have already benefited from careers outside the Civil Service? Will he say what experience they can offer if they are recruited into the Civil Service at that age?

Mr. Luce: I am grateful to my right hon. Friend for raising that question. It is important to encourage into the Civil Service people who have experience in other areas. A recent direct entry competition for grade seven in the service has led to the recruitment of a number of people in their late 30s and early 40s. Many of those people have had experience in local government or education, and at least 50 per cent. of them have had experience in commerce and industry. That is something that I welcome.

Dr. Marek: What will be the effect on recruitment to the Civil Service of the recently announced 40 per cent. drop in attendance figures for the Natural History museum?

Mr. Luce: That is a good try. I am now wearing a different hat and it is that of the Civil Service. Recruitment and retention in the Civil Service are broadly satisfactory, but there are areas in which it is difficult to recruit people with specific skills and in specialist areas and, of course, we have a regional problem. It is true that in the south-east, in particular, we have acute recruiting difficulties. As the hon. Gentleman knows, my right hon. Friend the Chancellor of the Exchequer is seeking to contain that by the introduction of more flexible pay and allowances for the London area.

Management Improvement

67. **Mr. Thurnham:** To ask the Minister for the Civil Service what proposals for reorganisation in his Department he is making following the recommendations of the Efficiency Unit report, "Improving Management in Government: The Next Steps."

Mr. Luce: Like other Ministers, I am reviewing the functions of my Department to see what areas might be appropriate for agency status. I have already identified the Civil Service college and the occupational Health Service as promising candidates for closer examination.

Mr. Thurnham: I welcome that positive lead. May I ask my right hon. Friend to stir his ministerial colleagues to share his sense of urgency in making those much needed reforms?

Mr. Luce: In fairness to some of my colleagues, as my hon. Friend will know, we have already identified 12 possible candidates for the creation of agencies in other Government Departments. Some of my right hon. Friends are looking urgently at the practical implications of that, and I hope to have something further to say before the summer is over.

Mr. Winnick: Have any steps been taken to reorganise the post of chief press officer to the Prime Minister and to change the manner in which he goes out of his way to give warnings to the press and the media generally on what they should or should not publish and broadcast? Is the right hon. Gentleman aware that Mr. Ingham is increasingly seen as the Deputy Prime Minister?

Mr. Luce: That is principally a matter for my right hon. Friend the Prime Minister, but there is no shadow of doubt about the outstanding calibre of Mr. Ingham and the job that he does.

Mr. Beaumont-Dark: Does my right hon. Friend agree that one of the problems of improving management in government is that for some vital skills industry can pay far higher salaries than the Government—for example, computer and tax experts? Are the Government urgently considering the fact that, to be efficient, they must be able to compete with private enterprise, or they will not get the best people whom they so urgently need?

Mr. Luce: My hon. Friend puts a finger on a problem that we face. As he rightly says, there is a disparity in certain specialist skills between what the Government can pay and what can be achieved in the private sector. It is partly for that reason that we are losing a number of people. My right hon. Friend the Chancellor of the Exchequer has judged it right to introduce more flexible allowances and pay to deal with that problem. Pay additions are now available for certain jobs, and that is one way in which we can help to contain the problem.

Agencies

68. **Mr. Allen:** To ask the Minister for the Civil Service what representations he has received from Civil Service or civil servant unions about the proposals for the privatisation and creation of new agencies to assume the work of some sections of Government Departments.

Mr. Luce: I have received two representations about the creation of agencies.

Mr. Allen: Is the Minister aware that he needs to state clearly from the Dispatch Box the exact position that the Government are adopting on agencies in relation to trade unions? On 18 February the Minister's Office issued a central guidance note to managers in Departments. The note said:

"the new arrangements for agencies will not undermine national bargaining on terms and conditions of service including pay"

and

"the unions will be fully consulted on the handling of the proposals."

That contradicts many of the Minister's statements in the House. Which view is correct—the Minister's, or the one issued by his Department?

Mr. Luce: There is a clear commitment that, when final decisions are to be taken on the implementation of certain agency proposals, there will be proper consultation with the unions. Until we have identified which agencies are to

have that kind of agreement, we cannot say. The unions will be fully consulted at that stage. As for national bargaining, negotiations on most conditions of service for departmental agencies are conducted centrally, and that will continue.

Ms. Mowlam: What percentage of first division civil servants are women? How has that percentage changed since 1984, when the programme for action was introduced

Mr. Speaker: Order. It would be more appropriate to raise that point on the next question.

First Division Staff

69. **Mr. Barry Field:** To ask the Minister for the Civil Service how many first division grade civil servants have had industrial or commercial experience.

Mr. Luce: This information is not held centrally. The Government place great value in attracting to the Civil Service at all levels those with industrial or commercial experience.

Mr. Field: Does my right hon. Friend agree that such commercial and industrial experience is invaluable to the Civil Service? Will he do his utmost to ensure that the Civil Service recruits people with the skills that may not be available to it? May we look forward to the day when a member of the first division is seconded for a short period to industry?

Mr. Luce: I agree with my hon. Friend on the importance of doing that. As I said in answer to an earlier question, following the recent direct entry competition for people who are older than the normal recruitment age, at least 50 per cent. of those recruited came from industry and commerce. The Government want to encourage that.

We have a policy on arranging secondments. The number of Civil Service secondments from and to the private sector has doubled in the past nine years. The number increased substantially last year on the previous year. We have a number of other arrangements—for example, the Whitehall and industry scheme, under which civil servants go for short periods to industry—to enable greater contact between the private sector and the Civil Service.

Ms. Mowlam: Let me try again. What percentage of those first division grade civil servants are women, and how has that percentage changed since 1984 when the programme for action to increase the percentage of women at the high levels in the Civil Service was introduced?

Mr. Luce: There has been an increase, and the report shows that, in the proportion of women in grades up to senior positions, although for the very senior positions —grade 3 and above—the proportion of women is still very low. My concern is to ensure that there is equality of opportunity and that any obstacles to that are ironed out. I am pleased that in the recent promotions to very senior positions, 11 per cent. were women. The hon. Lady may think that that is a low figure, but it is much higher than the proportion in the senior grades.

Mrs. Virginia Bottomley: I welcome the improvement in the representation of women, but has my right hon. Friend any further plans for improving matters?

Mr. Luce: Yes. There is a recommended programme of action and the Government will do their best to implement it. It is noticeable that there is now more scope for part-time jobs in the Civil Service, and a large proportion of women are taking up those opportunities. There is also scope for job sharing in the service, and a large number of women are taking up that opportunity, too. I shall ensure with my colleagues in other Departments that the programme of action is implemented as well as possible.

Prime Minister's Office

70. **Mr. Dalyell:** To ask the Minister for the Civil Service what action he is taking on issues not covered by his reply to the Adjournment debate on Friday 22 April on the conduct of the Prime Minister's Private Office.

Mr. Luce: None, Sir.

Mr. Dalyell: Does the Minister recollect that in the Adjournment debate that he courteously answered I referred in detail to the statement by Sir Frank Cooper, former permanent secretary at the Ministry of Defence, that Mr. Bernard Ingham ought not to be a civil servant, given the role that he performs? May we refer back to the question posed by my hon. Friend the Member for Walsall, North (Mr. Winnick) and ask seriously whether those who talk in the terms in which Mr. Ingham did over the weekend about the hysteria of the press ought to be paid from party rather than taxpayers funds?

Mr. Luce: I noted in that Adjournment debate, and again today, that the hon. Gentleman seeks to dredge up old issues that have already been dealt with and adequately answered. He does that because he knows that my right hon. Friend the Prime Minister has been an outstanding success and is a Prime Minister of great integrity. It is because of that that the hon. Gentleman seeks to undermine the whole position.

P and O Dispute

3.32 pm

Mr. Michael Meacher (Oldham, West): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the latest developments in the seamen's dispute."

It is a specific matter in that P and O's insistence that its package of 400 job cuts, increased working hours, less leave and a cut in pay should be implemented almost immediately has provoked a 14-week strike. It is equally specific and relevant that the National Union of Seamen has repeatedly made clear its willingness to accept the P and O proposals if they are phased in over three years—which is what the company itself originally asked—well in advance of the Channel tunnel. It is also a specific and relevant matter in that the NUS has been willing to accept binding arbitration and has been asking for it for 13 weeks, but P and O has turned it down.

It is an important matter because the safety of the public is at stake. Under P and O's proposals, if the Herald of Free Enterprise were sailing tonight from Zeebrugge, it would have 15 fewer crew than on the night of 6 March last year when it went down. Department of Transport officials have been checking the structural seaworthiness of the ferries, but the dangers involved in having untrained crews, reduced crewing levels and 18-hour shifts are outside their brief. It is critical for the public, as well as for the seamen, that the safety risks in the proposals, as revealed in the "Brass Tacks" television programme, are fully known and publicly scrutinised.

The matter is urgent because the possibilities of resolving the dispute by negotiation are coming to a head. Whether or not the current Sealink plan proves acceptable, there is now a real risk that the primary dispute with P and O at Dover may harden to the point where compromise becomes difficult, if not impossible.

The NUS has shown itself willing to compromise. The dispute could be resolved by further negotiations between the two sides. I submit that it is vital that all public pressure be brought to bear now to ensure that any intransigence on the part of P and O is not allowed to stand in the way of the wider public interest.

For all those reasons, Mr. Speaker, I earnestly seek your support for a full and early debate on this matter of crucial public concern.

Mr. Speaker: The hon. Member asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely,

"the latest developments in the seamen's dispute."

I have listened with care to what the hon. Member has said. As he knows, my sole duty in considering an application under Standing Order No. 20 is to decide whether it should be given priority over the orders set down for today or tomorrow and also to consider the critieria laid down in the Standing Orders. I regret that under those criteria I cannot submit the hon. Member's application to the House.

Several Hon. Members *rose*——

Mr. Speaker: No, there is another application under Standing Order No. 20 from Mr. Dave Nellist.

GEC Plessey Telecommunications Limited

3.35 pm

Mr. Dave Nellist (Coventry, South-East): I beg to ask leave to move the Adjournment of the House under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the announcement at 11 am on Friday 6 May of 1,800 redundancies by GEC and Plessey through the new telecommunications company GPT."

Of those 1,800 redundancies, 40 per cent. are due to take place in Coventry, 40 per cent. in Kirkcaldy and the rest in the constituencies of my hon. Friends the Members for Bishop Auckland (Mr. Foster) and for Liverpool, Broadgreen (Mr. Fields). The Spon street plant in Coventry is destined for virtual closure. This will affect not only hundreds of my constituents, but also those of my hon. Friend the Member for Coventry, North-East (Mr. Hughes).

My constituents are bitter and upset. Many have given their lives to GEC. The GEC-Plessey merger of October last year, with the rationalisation and streamlining taking place now, is simply about profit—about increasing dividends to shareholders, while 800 of my constituents and those of my hon. Friend the Member for Coventry North-East have to pay the price of being thrown on to the scrap heap. Hundreds more people in our city could be affected.

GEC is not a poor company. It is not for financial reasons that all these redundancies and closures have been announced. The company has hundreds of millions of pounds in liquid assets at the bank. In a letter to me the company speaks of senior management spending many months since the plans were first announced in order to endorse

"plans consistent with the objectives and needs of the merged Company."

It says that there will be retraining and hope for redundant people finding other employment.

If there is really a cash flow problem, perhaps the Butcher of Bowden—Lord Weinstock—could sell a couple of racehorses. He spends half a million pounds a time buying them. There will not just be 800 redundancies. There will be several hundred more in ancillary sub-contractors, service companies, shops, and so on. Above and beyond that, in the city of Coventry, where already only 14 or 15 per cent. of school leavers get real jobs when they leave school, a further thousand school leavers will have no jobs to go to.

GPT is the biggest telecommunications firm in Britain and the tenth biggest in the world. If the limit of its social responsibility rests on profit margins, it is about time the House redebated the privatisation of British Telecom and the monopoly position of GPT within that supposedly expanding industry, and brought back into extended public ownership these crucial firms in the economy and put them into the hands of the workers instead of profit managers like Weinstock. If workers ran those companies, the horizon of their responsibilities would not be the bottom line of shareholders' dividends, but would be the families of those who have given their lives to GEC and Plessey for the past 34 years in Coventry, Warwickshire, Liverpool, Kirkcaldy, Beeston and Bishop Auckland.

I urge you to grant this debate, Mr. Speaker.

Mr. Speaker: The hon. Gentleman asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely,

"the announcement by GEC Plessey of 1,800 redundancies in the telecommunications firm GPT."

I have listened with care to what the hon. Gentleman has said, but I must repeat what I said to the hon. Member for Oldham, West (Mr. Meacher). I regret that the matter that he has raised does not meet the criteria laid down under Standing Order No. 20. I hope that he will find other opportunities to bring the matter before the House.

Points of Order

3.39 pm

Mr. Tony Banks (Newham, North-West): On a point of order, Mr. Speaker. Will you clear up some confusion that arose during business questions last Thursday? At columns 1021 and 1024 points of order were raised by the hon. Members for Hertford and Stortford (Mr. Wells) and for North Down (Mr. Kilfedder), and you allowed them to be heard. At the end of business questions, and after an application under Standing Order No. 20, at column 1031 I suggested that you had adopted a practice different from the one previously followed in your rulings on when points of order can be made during Question Time. I was supported in that by my hon. Friend the Member for Stockton, North (Mr. Cook).

In reply, Mr. Speaker, you said:

"I dealt with those points of order because they appeared to require my immediate intervention. If the hon. Gentleman had risen at that time, he would certainly have been heard in the same way. There is no change at all. In our debates, the points of order raised are dealt with immediately."—[*Official Report*, 5 May 1988; Vol. 132, C. 1031-32.]

I accept that that is true for debates, but that was not the case at Question Time, and had not been the case until that point.

I refer you, Mr. Speaker—I have supplied your office with the references in the *Official Report*—to an incident that took place in the House on 19 November 1986. At column 548, the Secretary of State for the Environment implied that I had stolen some articles of silver that had belonged to the Greater London council. I shall not go into the issue again, but I say simply that I had taken them into protective custody. When I tried to rise on a point of order, you said:

"Order. We shall deal with this later."

My hon. Friend the Member for Copeland (Dr. Cunningham) also tried to raise a point of order, and at column 549 you said:

"Order. No, I cannot take points of order in the middle of questions. I shall take them at the end of Question Time."—[*Official Report*, 19 November 1986; Vol. 105, c. 549].

It is clear that what happened last Thursday was a variation on a rule that we have come to accept. Indeed, it has been accepted by the House because it makes for good order. It is pointless people making points of order during Question Time when they should make them at the end of Question Time.

Will you consider, Mr. Speaker, making a statement on the matter so that we are all absolutely clear? If you reaffirm the rule that points of order arising from statements made or incidents during Question Time should not be made until after Question Time, will you consider doing what you did for me on the previous occasion, which was to get the *Official Report* to insert the point of order that was made after Question Time at the point where it was originally raised? The matter is slightly confusing, but if you made a ruling, it would assist us all.

Mr. Speaker: I thank the hon. Gentleman for his courtesy in giving me some knowledge of what he was going to say——

Mr. Jeremy Corbyn (Islington, North): He is a gentleman.

Mr. Speaker: He is, indeed.

I adhere to what I said last Thursday. I shall hear points of order during questions only if they concern matters that require my immediate intervention, such as the use of a grossly disorderly expression. I do not propose—I think that the hon. Gentleman will understand this—to reopen today what occurred on 19 November 1986. I have looked again at the interventions and points of order during business questions last Thursday, and I agree that they should have been taken, not when they were, but immediately before the business of the day.

P and O Dispute

3.43 pm

Mr. Jeremy Corbyn (Islington, North): On a point of order, Mr. Speaker. This morning my hon. Friend the Member for Newham, North-West (Mr. Banks) and I visited the picket line at the P and O dispute at Dover. Although I do not wish to challenge your response to the application made my my hon. Friend the Member for Oldham, West (Mr. Meacher) under Standing Order No. 20, may I say that several people involved in the dispute drew to our attention serious unsafe working practices on the P and O vessels that are attempting to sail and the mad and desperate search by P and O to find people to scab in the dispute?

Many of the people on the picket line asked us how safety could be debated in the House and by what means Parliament can express its view on the dispute. They looked to us, as we look to you, Mr. Speaker, to find some means by which the serious matters of safety at sea, the appalling treatment of those who are in dispute with P and O and the mad drive for profits by that company can be brought to public attention through the House.

Mr. Speaker: This is a serious matter. There are plenty of opportunities to raise the matter; for instance, on Opposition days, in Adjournment debates and at Question Time.

Social Security Reform

3.45 pm

Mr. David Winnick (Walsall, North): As you will appreciate, Mr. Speaker, one of our responsibilities is to try to ventilate the concern of our constituents. You are no doubt aware as, first and foremost, a right hon. Member of this House, that many elderly people simply do not know whether the housing benefit increases are to be paid and, if so, from what date, and when they will be compensated. There is total chaos and confusion on the ground, which is causing tremendous hardship, worry and anxiety.

I know that you are not responsible for a statement being made. No statement has been made by the Secretary of State for Social Services since he first made his statement on the Government's climbdown. You may well say that tomorrow is the day for social services questions. I have looked at the Order Paper and believe that I am right in saying that only two questions on this matter are likely to be reached.

It is wrong that we should be denied the opportunity to express on the Floor of the House of Commons the worries of so many people in this country. Literally hundreds of thousands of those people could well be faced with substantial increases. They do not know whether they will have to pay, whether they have the means to do so and when they will receive compensation.

The other point——

Mr. Speaker: Order. We had a debate on this about 10 days ago and, as the hon. Gentleman correctly said, there are social services questions tomorrow. I have not yet looked carefully at them, but, if the hon. Gentleman says that there are only two on this matter that are likely to be reached, no doubt he is right. I am sure that, as this is a major matter, those on the Front Bench responsible for the organisation of business will have heard what the hon. Gentleman has said, but it is not a matter of order for me.

Abortion (Amendment) Bill

3.46 pm

Mr. Bob Cryer (Bradford, South): On a point of order, Mr. Speaker. Following the conclusion of the debate on the Abortion (Amendment) Bill on 6 May, you may have seen a number of press reports and television interviews in which it was suggested that there had been a parliamentary mugging, foul play and, according to one broadcast, cheating.

I should be grateful if you would confirm that on 6 May the Standing Orders were fully and properly followed in Parliament, that the rules of debate were properly followed, that the treatment of the hon. Member for Liverpool, Mossley Hill (Mr. Alton) appeared to many of us very generous, in that closures were granted within an almost unprecedentedly short time and that, in all, there was a perfectly fair and proper debate on a number of amendments throughout the morning. There was no parliamentary mugging, no foul play and certainly no cheating on that day.

Mr. Speaker: I cannot be held responsible for the extravagant adjectives that have been used elsewhere, but I confirm what the hon. Gentleman has said. To my knowledge, the debate proceeded in good order and under our usual procedures.

Standing Order No. 20 Debates

3.47 pm

Mr. Eric S. Heffer (Liverpool, Walton): On a point of order, Mr. Speaker. The other day my right hon. Friend the Member for Chesterfield (Mr. Benn) asked for a debate, under Standing Order No. 20, on the seaman's dispute, and he was turned down. Today, my hon. Friend the Member for Oldham, West (Mr. Meacher) asked for a debate under Standing Order No. 20, and he was also turned down.

For many years I have noticed that Back Benchers have sometimes been granted debates under Standing Order No. 20—or, as it used to be Standing Orders Nos. 9 and 10—and that Front-Bench spokesmen, who have then made an application, have usually been turned down.

This is a matter of great importance. Over the years we have had many debates on issues affecting seamen and on trade union strikes. How on earth can any hon. Member obtain a debate under Standing Order No. 20? In my 24 years here I have known Speakers of all sorts—and sizes—grant Standing Order No. 20 applications from Back Benchers on precisely such issues as this. I should like to know how a Back Bencher or an occupant of the Opposition Front Bench can obtain a Standing Order No. 20 debate on a matter of this importance. Are we reaching a stage when it will not be possible to discuss such issues unless they fall in Government time or Front-Bench time generally? Such a situation would represent a serious departure from the rights of Members of this place as we now understand them.

Dame Elaine Kellett-Bowman (Lancaster) *rose*——

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak) *rose*——

Mr. Speaker: Order. Do the hon. Members for Lancaster (Dame E. Kellett-Bowman) and for Birmingham, Selly Oak (Mr. Beaumont-Dark) wish to raise points of order on the same issue? If so, I shall respond to them in one reply.

Dame Elaine Kellett-Bowman: Further to the previous two points of order, Mr. Speaker. Admittedly you are not responsible for this, but as extra time was given in 1967 to what I shall call the Steel Abortion Bill, can you not understand——

Mr. Speaker: Order. That is a different matter.

Mr. Beaumont-Dark *rose*——

Mr. Speaker: Does the hon. Gentleman wish to raise a point of order on the NUS dispute?

Mr. Beaumont-Dark: My point of order relates to the rights that attach to debates in this place and points of order that are being raised in the Chamber. Many of us have not heard such disingenuous nonsense. There are calls for a debate on the dispute affecting the National Union of Seamen. We heard these calls last week and we have heard them again today. The Opposition, quite rightly in a democracy, are able to initiate half-day debates, a one-hour debate or a three-hour debate. Why should the time of the House be taken up when it has other important debates before it, when it is clear that if the Opposition feel so strongly about the mad idiots in the

NUS who want to destroy seamen's jobs, they could have a debate on them? Why should we be kept here listening to this disingenuous rubbish?

Mr. Speaker: I can answer both the hon. Member for Liverpool, Walton (Mr. Heffer) and the hon. Member for Selly Oak by saying that it is an extremely onerous responsibility of Mr. Speaker to decide whether to grant an emergency debate that will take precedence over the orders that are set down for this day or the next day. The Chair must take into account all the criteria that are set out clearly in Standing Order No. 20, to which I draw the attention of hon. Members. One of the criteria, as the hon. Member for Walton well knows, is the other opportunities to raise issues before the House, and these have been mentioned by the hon. Member for Selly Oak.

Orders of the Day

Finance (No. 2) Bill

(Clauses Nos. 22, 23, 26 to 28, 31, 42, 49, 91, 98, 127 and 128 and Schedule No. 7). *[Progress 3rd May.]*

Considered in Committee.

[Mr. Harold Walker *in the Chair.***]**

Ordered,

That the order in which proceedings in Committee of the whole House on the Finance (No. 2) Bill are to be taken shall be Clause 22, Clause 23, Clause 27, Clause 28, Clause 49, clause 31, Clause 98, Clause 26, Clause 127, Clause 91, Schedule 7, Clause 128, Clause 42.—*[Mr. Norman Lamont.]*

3.53 pm

The Chairman of Ways and Means (Mr. Harold Walker): The Committee will note that amendments to clause 42 appear on the first page of the Amendment Paper. However, the Committee resolved last Tuesday to consider clause 42 at the end of its proceedings. The first clause to be taken today is clause 49.

Clause 49

PRIVATE RENTED HOUSING

Mr. A. J. Beith (Berwick-upon-Tweed): I beg to move amendment No. 1, in page 49, line 15, after 'tenancies', insert

'let at or below a reasonable rent as determined by a rent assessment committee under the Housing Act 1988'.

When the Chancellor of the Exchequer announced in his Budget statement that he would expand the business expansion scheme to cover properties to let in the private rented sector, there were immediate cries of "Rachmanism". It was claimed that such an expansion would bring back the worst of the Rachman era. Those cries are understandable for anyone who remembers the evils of that period, which became, in the words of the right hon. Member for Old Bexley and Sidcup (Mr. Heath), the unacceptable face of capitalism.

The Committee must ask whether there are ways of attracting private capital into housing that will not bring back Rachmanism. My right hon. and hon. Friends do not think it right to dismiss out of hand the use of the business expansion scheme as a possible approach. In view of the housing crisis, those who appear to take that approach and who represent other Opposition parties do a disservice to the people.

I believe that by the means that they have chosen the Government will open the door to the worst sort of private landlord. Instead, they should use a carefully tailored device to attract private capital back into rented housing, but ensure that that is done in a way that will provide adequate security and rent protection to tenants. Given the scale of the housing crisis, it would be irresponsible to say that there is no place for private capital and that we should not be attempting to attract it back into housing.

It is clear that the public authorities alone have not been able to solve some of our most serious housing problems. Even if they were not subjected to the unnecessary restrictions to which the Government have subjected them, they would still not be able to solve those problems.

[Mr. A. J. Beith]

Much more could be achieved if the Government were not preventing housing authorities from spending the capital receipts that they have obtained from selling houses on more investment in housing. The Government are clearly placing many unnecessary and inappropriate restrictions on the ability of local authorities to play their part in tackling housing problems. The Government are also tightening the reins on the voluntary housing sector in many ways.

With the present serious crisis we cannot exclude the role of private capital in housing. If we were to do so, we would perpetuate the monopolistic aspects of rented housing that are among the worst features of the problem. I have experienced that problem in all its different forms during my years as a Member of Parliament. I have experienced the dangerous consequences of a private monopoly on rented housing where people are afraid to reveal their political allegiances for fear that they will not get a cottage from the big landowner. I have seen exactly the same thing in its municipalised form where people fear that if they have said anything rude to any member of the family of the housing officer, they will not be considered for a council house.

The same kind of feudal deference arises in the municipal rented sector as has arisen over the years in the private rented sector. Any kind of monopoly of rented housing tends to be extremely dangerous for rights of choice or a sense of independence.

Many groups of people who want or need rented housing are not getting it. One obvious group includes people who have to move in search of work. The previous lack of privately rented accommodation in many areas is a serious impediment to those looking for work elsewhere who find that the public housing sector cannot help them.

Many people looking for jobs in different parts of the country have found that they cannot obtain housing when they apply for those jobs. The national mobility scheme does not provide those people with sufficient access to council housing in the area to which they want to move. I am thinking particularly of people who move from areas like mine in the north-east to the south-east of England. They cannot afford to enter the private housing market in the south-east because prices are so high. They cannot get council houses in the south-east where there are relatively few council houses as the rate of council house sales has been so high. There are very few privately rented houses available and that is a strong argument for ensuring that more are provided.

The Committee should consider whether we can tailor the business expansion scheme incentive to ensure that it provides adequate protection for tenants. The fear is that the people most likely to use the scheme will be those who regard it as a get-rich-quick opportunity, and will take advantage of the changes in tenants' protection to exploit tenants in near monopolistic situations.

The Government appear to have removed many of the aspects of tenants' security and protection on rents on the argument that that was the only way to get private capital back into housing. Is the business expansion scheme really necessary on top of what the Government have done already? They have greatly weakened the tenant's position by arguing that if they did not do so there would not be many houses to rent and therefore tenants in general would suffer.

Mr. D. N. Campbell-Savours (Workington): I want to ask the hon. Gentleman a question in the most comradely terms about a statement that was made in the middle of the previous election campaign which suggested that a policy should be pursued whereby people who let a room in their home would not pay tax on the income that they derived. Will the hon. Gentleman develop that concept so that we may hear the argument explained more fully?

Mr. Beith: That suggestion was an extremely good idea. It was an attempt to unlock the large amount of accommodation that could be available in the short term to deal with the housing problem for single people. Several disincentives have been suggested as reasons preventing people from offering such accommodation. It was suggested that people might be unable to remove an unsatisfactory tenant or regain the use of a room when the family required it. It was also suggested that there was not a great financial incentive to provide that accommodation.

That incentive could have been increased by the scheme that we put forward. It combined a degree of financial incentive with a system of administration designed to relieve the landlord—who might in many cases be a widow living alone in a house of three or four bedrooms—of the problems and complications of tenancy protection. It was a sensible scheme, but I cannot address it in connection with the amendment, which does not bear directly upon that scheme.

Nevertheless, that scheme was another attempt to acknowledge the fact that we have housing and property that could be put to better use and that private capital is available which could be used to expand the provision of rented housing.

4 pm

I am worried, as are others who are critical of the Chancellor's proposals, about what will be the position of tenants if the business expansion scheme is used without giving them any protection. The purpose of the amendment is to ensure at least that rents are set at reasonable levels. It is no longer possible to tie the business expansion scheme proposals to fair rents, because the Government have abolished that provision. Fair rents are on their way out. There will remain only rent assessment committees, which are normally used not for the assured tenancies with which we are dealing but for shorthold tenancies. Indeed, access to rent assessment committees in respect of assured tenancies is very limited and is available primarily to the landlord. That is a fairly weak limitation.

If a business expansion scheme tenancy conferred upon the tenant the right of access to a rent assessment committee, that would provide some means of ensuring that the tenant was not exploited. That would be particularly when the landlord—perhaps a company—had a monopoly or near-monopoly of rented property in the area. It would at least limit the ability of the business expansion scheme to create exploitable tenancies and the ability of landlords to push up rents in an area.

A company that wanted to make a lot of money fast out of the business expansion scheme could move into an area where there was a shortage of rented accommodation and buy a number of properties. It could then push up the rents in that area. It would have the benefit of the business

expansion scheme in financing that operation in the first place and could then, by use of its monopoly, push up rents to an exploitative level.

Mr. Anthony Nelson (Chichester): I wonder whether the example that the hon. Gentleman has given is correct. If a company tried to do what he said by acquiring existing properties which were tenanted, the people occupying those properties could continue as fair tenants and there would be no advantage to the company. If the company were to purchase instead vacant or newly developed properties, in either case there would be a net introduction of new accommodation for rent that would not otherwise be available. How could a net new supply force up rental levels?

Mr. Beith: It could do so if the net new supply fell far below the level of demand. Provided that supply was less than demand, the company could force up prices. Indeed, no market price can be calculated if there is no rented property available. I could take the hon. Gentleman to various parts of London and elsewhere in the country where virtually no rented property is available. If he were able to obtain in such an area two or three properties—which had, perhaps, been in single occupation—and turn them into tenanted properties, he would have a virtual monopoly of rented housing and could set what rents he chose.

The situation is further distorted by the complications of housing benefit. There is not a free market in rented housing. I have submitted another amendment which, although it cannot be debated now, the Minister might like to keep at the back of his mind. It is designed to probe why it was necessary to apply the higher rate of tax relief to the business expansion scheme. A landlord who takes advantage of the scheme without the protection that I am suggesting will be investing in property with a potential for capital appreciation that is greater than almost anything else into which he could put his money. Why should he need such a large incentive? With existing schemes, no more that 50 per cent. of net assets may be represented by property. It is already recognised within the business expansion scheme that it is not the purpose of the scheme to finance property ownership and that there is not the degree of risk in property ownership to justify the conferring of substantial incentives.

The Government are offering large incentives to draw people into projects in which they can make a great deal of money without being offered a big incentive, and in which they will find it easier to participate if tenants are not given a measure of protection. The Minister may feel that my amendment to make use of rent assessment committees is not the best way of maximising tenants protection. However, unless he is able to offer some guarantee that tenants will not be exploited under the scheme, he will do the cause of expanding privately rented housing no good.

If the business expansion scheme is used in that way it will get a very bad name after the first two or three landlords are found engaging in the kind of activity I have described. Considerable harm will be done, when we should be looking in every possible direction for means of tackling an appalling housing problem. It is a problem which creates social injustice, reduces people's economic opportunities, and prices people out of a free society—if they cannot obtain access to housing in areas where there is work available to them.

If the Minister wishes to win our support for the business expansion scheme in the private rental market, he must do something to afford protection to tenants. Otherwise, the scheme will be too easy to abuse. Unless the Minister can offer such protection, either by accepting my amendment or by an alternative, he cannot expect our support for the clause.

The Financial Secretary to the Treasury (Mr. Norman Lamont): I hope that the hon. Member for Berwick-upon-Tweed (Mr. Beith) will forgive me if I reply briefly to his remarks, because some of the wider issues on which he touched might be more conveniently discussed in the clause stand part debate. The hon. Gentleman may agree that he went wider than the narrow terms of his amendment. None the less, I am grateful to him for the moderate way in which he proposed his amendment and did not express total hostility to the idea of the business expansion scheme being used to provide more privately rented property. Indeed, he went further and indicated that he felt there was a shortage of such accommodation, which was a great impediment to mobility in locking people into areas of high unemployment. That is one of the major reasons why we want to see a revival in the privately rented sector.

The hon. Gentleman was essentially trying to strike a different balance between the landlord and tenant than that being struck by the Housing Bill and by the concept of the new assured tenancies. I do not want to open up the whole Housing Bill debate this afternoon, but the tax relief in question is built upon the assumption that the Bill will be enacted. The proposals that we have put before the House try to strike a balance between the landlord and tenant that we believe is reasonable. The hon. Gentleman knows as well as I do that there have been many attempts by previous Conservative and even by Labour Governments—for example, by the late Richard Crossman—to alter that balance within an adminisrative framework and to try to achieve a greater, albeit regulated, supply of private rented accommodation. Those previous attempts all came to grief because they did not move far enough towards allowing genuine market rents to be charged in the private sector.

Mr. David Winnick (Walsall, North): Is it not at the core of this debate that a previous Conservative Government set out to deregulate the housing market under the Rent Act 1957? All new rented dwellings were deregulated with the promise, at the time when that Bill was going through the House of Commons, that that would lead to a substantial increase in rented accommodation. However, the opposite occurred. The Minister mentioned the late Richard Crossman, but he was responsible, as Minister for Housing, for repealing the 1957 Act, which was so discredited that the then Conservative Opposition did not even vote against his doing so.

Mr. Lamont: I do not think that in the first part of his observation the hon. Gentleman was really disagreeing with what I was saying. I was saying that Conservative Governments in the 1950s did not go far enough and that what they did did not have the intended effect.

Although it is largely my fault that we are doing so, I do not think that it serves our purpose this afternoon to go too far back into the policies of Henry Brooke, or indeed the late Richard Crossman. I merely say to the hon.

[Mr. Lamont]

Gentleman that I do not think that past Governments, Labour or Conservative, went far enough in giving freedom to landlords to charge a market rent.

The new assured tenancy scheme will allow a tenant and landlord to agree any rent that they choose. We believe that that is right, because the best way to arrive at a reasonable rent is to allow it to be determined by competition and market forces. In the past we have seen, all too clearly, attempts to restrict rents causing properties to leave the private sector or not to appear in it, so that people who wanted to rent and were willing to pay a market rent found that no property was available. Indeed, there has been almost no worthwhile investment in private rented property for 50 years, and the sector is declining considerably.

The clause extends the business expansion scheme to investment in companies that let residential property on the new assured tenancy basis. We consider this necessary in the early years of deregulation, to speed up the process of bringing more rented property on to the market. It would be counter-productive and foolish to restrict the rents that could be charged by the BES company. The likely outcome would not be that the benefits of the tax relief would be passed on to the tenant in the form of lower rent. It would simply discourage the supply, and discourage landlords from making more rented property available. Again, we would find willing landlords and willing tenants being frustrated by Government restrictions.

It is doubtful whether the amendment would have any effect. Under the Housing Bill, a rent assessment committee determines the rent when the landlord proposes an increase under a periodic tenancy and the tenant chooses to refer it to the committee. The committee, however, has no role in connection with the initial rent that is charged, and no role in fixing the rent when the mechanism for increasing it is built into the tenancy agreement.

Furthermore, the Housing Bill does not use the term "reasonable rent", which the hon. Member for Berwick-upon-Tweed has incorporated in the amendment. What the Housing Bill does is to provide for the committee to determine a rent at which the property might reasonably be expected to be let on the open market by a willing landlord: in other words, the market rent. We believe, however, that imposing a rent assessment committee's view of what would be a market rent on all tenancies from the outset, as the hon. Gentleman suggests, so that a higher rent could not be charged even if the landlord and tenant were in agreement, would not be right. It would create uncertainty, and would discourage landlords from providing property for letting.

I am afraid that, despite the moderate way in which the hon. Gentleman proposed his amendment, I do not think that I can accept it. I hope to deal on clause stand part with some of the wider issues that he raised.

Mr. Gordon Brown (Dunfermline, East): The tragedy is that, good as the intentions of the hon. Member for Berwick-upon-Tweed (Mr. Beith) are in relation to fair rents, no tenant would save money, no rent would be reduced and no family would be better off as a result of the amendment. The reason is that he has totally misunderstood what rent assessment committees are there to do, under the Housing Bill. They will not set the initial rents. They will determine rents only on appeal, and, as the Minister has conceded, they will have no remit in regard to fair rents.

One strong objection to the business expansion scheme is that we are not in a position to force fair rents, but we have a number of other objections. We believe that the major problem of the scheme is that money that ought to be used to provide better housing under housing associations and local authorities will be frittered away in tax reliefs. For those reasons—which we want to debate this afternoon—I hope that the hon. Gentleman will withdraw his amendment, which will have no force whatever, and allow us to get on with the major debate on the business expansion scheme.

4.15 pm

Mr. Ian Gow (Eastbourne): I understand that the hon. Member for Berwick-upon-Tweed (Mr. Beith) is making his parliamentary debut in his new role as shadow Chancellor and in addressing the Committee on the Finance Bill. *[Interruption.]* If I am wrong about the hon. Gentleman's experience, I shall gladly give way and apologise to him.

Mr. Beith: The hon. Gentleman may have failed to notice that I have been addressing the House on this subject for about a year.

Mr. Gow: I think that I may be right. I said that this was the hon. Gentleman's debut as shadow Chancellor in addressing a Committee of the Whole House on the Finance Bill. If he has done it before, I can only say that this afternoon was not a triumph. We understand the the hon. Gentleman is not only the shadow Chancellor for the newly formed party, but a possible candidate for the leadership. You may care to reflect, Mr. Walker, on the hon. Gentleman's good fortune in not being surrounded by all his colleagues. Only one has been here to learn the truth, which is that the hon. Gentleman has misunderstood the Finance Bill and does not understand the Housing Bill, of whose Standing Committee his hon. Friend the Member for Southwark and Bermondsey (Mr. Hughes) was a rather undistinguished member. It would have been greatly to the advantage of the shadow Chancellor if he had studied both Bills more carefully. I hope that he will not detain the Committee any longer, and will withdraw the amendment.

Mr. Beith: I thought that the hon. Member for Eastbourne (Mr. Gow) was going to make a speech discussing the issues raised in the amendment. I used to think that he was interested in housing issues; he was, after all, Minister for Housing at one time. He clearly prefers, however, to engage in discussion of wider political matters at a pretty superficial level.

I also thought, when the hon. Member for Dunfermline, East (Mr. Brown) spoke, that I had intruded on a private quarrel which could be conducted only on the basis of being either in favour of private landlords or wholeheartedly opposed to them. Indeed, the hon. Member for Walsall, North (Mr. Winnick) intervened when they were mentioned, and said that they should go. It is a widespread view in the Labour party that there is no role for the private rented sector.

My purpose in tabling the amendment—and I am strengthened in my view that we should press it—is to

suggest that there is a role for private rented housing, and that the Government should be looking for ways to encourage a responsible private rented sector without doing so in ways that afford no protection to tenants. I can hardly be criticised for the unsatisfactory features of the Government's housing legislation—including the rent assessment committees—given the effort put by my hon. Friend the Member for Southwark and Bermondsey (Mr. Hughes) into criticising those proposals when they were put forward. The amendment offers the Government an opportunity to find a way of moderating their own proposals.

Let us suppose for a moment that the Government are right in their assumption that the change in the balance between landlord and tenant will attract more people into private sector housing. That must have been their intention. The argument that they used throughout all the debates on the housing legislation was that the balance was wrong, and that shifting it would bring more capital into private housing.

If there were anything in that argument, the business expansion scheme would be of only limited relevance to the expansion of the private rented sector. As it accords considerably greater benefits to landlords who will already have been released from their former obligations, which the Government believe kept some of them out of the housing market altogether, why should not a greater obligation towards tenants be imposed on that group of landlords—particularly as it may prevent the scheme from being abused, and becoming a means of returning to the days of Rachmanism?

We have put forward a reasonable proposal, and have offered the Government an opportunity to suggest alternatives. But they seem determined to drive ahead with an unrestrained incentive to landlords, with no tenant protection at all. The Labour party seems determined not even to consider ways in which the private sector could play a larger role in tackling the enormous housing problems. In those circumstances, I feel that we are entitled to differ, and to say that there is a role for a responsible private sector. I therefore intend to press my amendment.

Question put, That the amendment be made:—

The Committee divided: Ayes 145, Noes 221.

Division No. 290] **[4.20 pm**

AYES

Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Battle, John
Beith, A. J.
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bidwell, Sydney
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Bruce, Malcolm *(Gordon)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Callaghan, Jim
Campbell, Menzies *(Fife NE)*
Campbell-Savours, D. N.
Clark, Dr David *(S Shields)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Tom
Cryer, Bob
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Dunwoody, Hon Mrs Gwyneth
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fisher, Mark
Foot, Rt Hon Michael
Foster, Derek
Fyfe, Maria
Galloway, George
Garrett, John *(Norwich South)*
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Hoyle, Doug
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Illsley, Eric
John, Brynmor
Kinnock, Rt Hon Neil
Leighton, Ron
Lestor, Joan *(Eccles)*
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
McAllion, John
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Meacher, Michael
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morris, Rt Hon A. *(W'shawe)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Prescott, John
Quin, Ms Joyce
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Richardson, Jo
Roberts, Allan *(Bootle)*
Rogers, Allan
Rooker, Jeff
Rowlands, Ted
Ruddock, Joan
Sedgemore, Brian
Shore, Rt Hon Peter
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stott, Roger
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Turner, Dennis
Wall, Pat
Walley, Joan
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Williams, Alan W. *(Carm'then)*
Winnick, David

Tellers for the Ayes:
Mr. James Wallace and
Mrs. Ray Michie.

NOES

Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Atkinson, David
Baldry, Tony
Beaumont-Dark, Anthony
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Couchman, James
Cran, James
Currie, Mrs Edwina

Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Durant, Tony
Evans, David *(Welwyn Hatf'd)*
Fallon, Michael
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
French, Douglas
Fry, Peter
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Hughes, Robert G. *(Harrow W)*
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lee, John *(Pendle)*
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
McCrindle, Robert
Macfarlane, Sir Neil
Maclean, David
McNair-Wilson, M. *(Newbury)*
Malins, Humfrey
Mans, Keith
Maples, John
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mellor, David
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Morrison, Hon Sir Charles
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Page, Richard
Paice, James
Patten, John *(Oxford W)*
Price, Sir David
Rathbone, Tim
Rhodes James, Robert
Riddick, Graham
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Sackville, Hon Tom
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Smith, Tim *(Beaconsfield)*
Speller, Tony
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thorne, Neil
Thurnham, Peter
Tracey, Richard
Tredinnick, David
Trippier, David
Twinn, Dr Ian
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walker, Bill *(T'side North)*
Waller, Gary
Walters, Dennis
Ward, John
Warren, Kenneth
Watts, John
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Wilshire, David
Winterton, Nicholas
Wolfson, Mark
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Mark Lennox-Boyd and
Mr. Richard Ryder.

Question according negatived.

Question proposed, That the clause stand part of the Bill.

Mr. Norman Lamont: This clause, together with schedule 4, extends the business expansion scheme to investment in companies which let residential property on the new assured tenancy terms. It complements the current Housing Bills, which introduce this kind of tenancy. The aim is to encourage the provision of private rented accommodation. The shortage of such accommodation in many areas in our cities has been one of the main causes of homelessness, and it has also been an obstacle to labour mobility.

In the longer term, the freedom for landlords to charge market rents under the new-style assured tenancies will stimulate more investment in private rented housing, but we see a strong case for speeding up this progress by providing a special incentive in the early years of deregulation. Therefore, we propose to extend the business expansion scheme to investment in companies letting properties on the new assured tenancy terms, which give tenants security of tenure. This relief will be available for only five years. The Bill provides for BES relief to be available for shares issued after Royal Assent and before the end of 1993.

Mr. Gordon Brown: Will the Minister assure the Committee that companies formed under the business expansion scheme to provide private rented accommodation will have to subscribe to a social landlords' charter that has been proposed by the Minister for Housing and Planning?

Mr. Lamont: No. The terms of the assured tenancies under which investment can take place under the legislation are precisely the same as those in the Housing Bill. Any proposal that is made by my hon. Friend the Minister for Housing and Planning would be incorporated and would have to be observed by any company which was benefiting from the business expansion scheme. I shall return to that question in order to confirm or amend my answer.

Relief will apply to shares that are issued after Royal Assent to the Finance Bill and before the end of 1993. The new assured tenancy basis will not be available immediately. We expect it to come into force early next year. In the interim, a company will be able to use the business expansion scheme to raise money to buy or build properties, but it will be unable to let them. Nevertheless, we felt that it was right to make BES relief available during the interim period, because the purchase of properties and any necessary preparations to make them ready for letting could take some time. We want companies using the BES to be able to let properties on assured tenancies as soon as possible.

As the aim of the BES relief is to encourage the continuing provision of rented property, the relief will be available only for assured tenancies that give the tenant long-term security. There will be a limit on the value of each let property. This will prevent tax relief from being

used to provide expensive properties for renting. The limit will be £125,000 in Greater London, and £85,000 elsewhere. If the value of the property exceeds this limit, the letting will not qualify. The Bill contains a power to amend these limits by statutory instrument.

Mr. Gordon Brown: What are the mandatory reasons that will allow houses to be repossessed? Does the Minister agree that it may be in the financial interests of a company to attempt to repossess its houses after five years?

Mr. Lamont: The hon. Gentleman is arguing against the whole basis of the Housing Bill. He is saying—and I expect that it will be the major point in the debate—that it provides an incentive to evict people. The hon. Gentleman knows as well as I do that my hon. Friend the Minister for Housing and Planning has produced a battery of new safeguards for tenants that will strengthen the criminal law and give the tenant the right to compensation if he is unfairly evicted. There is a risk of eviction from rented property, but that is more likely to arise from controls that make it impossible for landlords to receive a decent return on their property. The Housing Bill provides tenants with security of tenure, backed by changes to the legal protection that is available to them. Moreover, in certain circumstances, there will be access to the rent assessment committees. The legislation strikes a balance between the needs of the landlord and the tenant.

Mr. Brown: Does the Minister agree that intention to redevelop is one of the means by which tenancies can be repossessed on a mandatory basis, and that it may be in the financial interest of a company to repossess the tenancies after five years?

Mr. Lamont: Yes. Under the business expansion scheme the property has to be let on a long-term basis. The hon. Gentleman believes that there will be an incentive for a landlord to get vacant possession or to develop a property with vacant possession, but a company will be unable to qualify for BES relief unless it is letting the property as rented property. The BES relief will bring into existence companies which will let property on a continuing basis and also on an assured tenancy basis.

Mr. Campbell-Savours: Is the Minister able to foresee circumstances in which a person who is a tenant and an investor under a business expansion scheme will be able to rent from his own investment? Is it not possible that he might receive tax relief on an investement from which he had already received a benefit?

Mr. Lamont: That is not possible. If the hon. Gentleman can demonstrate any way in which that is possible we shall take action to stop it, because that is not the purpose of the business expansion scheme.

The Opposition refer to harassment and to incentives to evict, but that is not the purpose of the legislation. We are prepared to look at any reasonable provisions that the Opposition may wish to put to us to safeguard the rights of tenants that do not cut across the Housing Bill, which we believe strikes the right balance between the rights of tenants and the need to give landlords a proper incentive to invest in rented property.

Mr. John Battle (Leeds, West): When we discussed the Housing Bill the Minister accepted that practices of landlords or property developers such as Nicholas Hoogstratel were not covered by the law and that changes in the Bill would make it easier for him to carry on such practices. Although the Minister expressed grave reservations about that landlord's practices, when that landlord came before the courts his case was dismissed. What is there to prevent that person and his companies benefiting from the business expansion scheme and continuing to keep properties in bad condition and charge prices that tenants cannot afford to pay?

Mr. Lamont: I wish to make no comments about one individual. Bad landlords are a product of previous Rent Acts. This legislation, the housing legislation and the BES are intended to provide a continuing supply of property on an assured tenancy basis. That is not compatible with the examples that Opposition Members are giving.

I was explaining about limits on the values of properties prescribed under the legislation, but if the value of a property exceeds the limit it will not necessarily cause BES relief to be lost, because a company will be allowed to carry on some non-qualifying activities. If those non-qualifying activities are substantial, BES relief will not be available. What that means in practice will depend on the facts of each case, but the Inland Revenue's existing practice is that if non-qualifying activities amount to less than 20 per cent. of total activities they are not regarded as substantial.

That rule will ensure that the company specialises in the provision of qualifying tenancies, which will give some desirable flexibility. For example, a company may from time to time have money on deposit while it is preparing to buy or improve properties. It would clearly be wrong to withdraw BES relief because it received a relatively small amount of interest on its deposit. Indeed, these provisions reflect the general provisions of the BES for all types of companies. The Bill excludes sub-standard properties by reference to standards laid down in the Housing Act 1985 and the Housing (Scotland) Act 1987.

There is a further feature of BES relief that I should mention. Clause 50 imposes a limit on the total amount of investment in a company in any year that can qualify for BES relief. Ordinarily the limit will be £500,000, but for companies letting residential property on assured tenancies it will be £5 million. It is not our intention that the BES should be used to finance large property companies, which should have less difficulty obtaining equity finance from the markets. Thus, a limit is necessary. We want to enable a company to benefit from economies of scale in offering shares to the public and in managing a large number of properties. We felt that the £5 million limit, which we have extended to ship chartering, was about right.

The privately rented sector has been in continuous decline since rent control was introduced in 1915 in response to wartime shortages. It has continued ever since and has been reinforced by other Governments. In 1915, 90 per cent. of the population lived in privately rented homes, but today barely 8 per cent. do so.

The lack of a ready supply of rented housing has become a major obstacle to labour mobility. Many people have been losers, including many unemployed people. Many people have been unable to take jobs because of the lack of a privately rented sector in areas where work is available. The country has lost from the economic activity that has been forgone. A battery of legislation, statutory rent controls and other rent restrictions are largely to blame for that profoundly unsatisfactory position.

Mr. Campbell-Savours: I press the Minister about this simple question and I want a simple answer. Can a person rent a flat from a company in which he is a BES investor? The answer is either yes or no.

Mr. Lamont: I answered that question earlier and said that I believed that the answer was no. I shall return to this issue later.

Mr. David Shaw (Dover): Is not the question asked by the hon. Member for Workington (Mr. Campbell-Savours) answered by schedule 4 to the Bill, on page 123, which says:

"In subsection (2) of section 291 (individuals qualifying for relief), after paragraph (a), there shall be inserted—

'(aa) a tenant of a dwelling-house of which the company is the landlord;'."

Consequently, a tenant is unlikely to obtain relief under that subsection.

4.45 pm

Mr. Lamont: The answer to the question is no, but I shall return to it if the hon. Member for Workington (Mr. Campbell-Savours) wishes to pursue it.

The Government have decided to take action to reverse that profoundly unsatisfactory position by introducing a new assured tenancy scheme. Under its proposals, existing tenants will have the same protection as at present, but we are relaxing controls for future tenancies. Landlords and tenants will have a choice of two types of tenancies. Assured tenancies will provide long-term statutory security, and assured shorthold tenancies will give the tenant at least six months' security. In both cases, market rents will be payable. These proposals will provide the incentive for landlords to invest and, at the same time, give protection to the tenant.

For the new assured tenancy scheme, but not for assured shorthold tenancies, we are introducing tax relief under the BES scheme for a limited five-year period. We have a considerable task in pressing ahead with deregulation in the privately rented sector, and we believe that the extension of BES relief will give a significant boost to plans for deregulation. Decades of legislation have left this sector demoralised and in decline. It is important to reverse that decline, to give the unemployed a greater chance to find work and to give the population a greater choice in their housing.

Mr. Gordon Brown: The one thing that we can say about the Minister and his speech about tax concessions for the BES is that, despite all the criticisms that have been made of BES and of this new proposal in particular, his enthusiasm for the scheme remains undiminished.

Since the scheme was set up in 1983—it was originally intended to provide tax concessions for high-risk investment in high-technology industry to create jobs—Ministers have had to come to the House at least twice to say that, because of the increasing dependence on property and fixed assets, they intend to change the terms of the scheme. First, they had to admit that there were abuses in the scheme as it applied to expensive wines and antiques. They said that they intended to rule out those abuses. They then said that, because land and buildings form such a large part of the capital issued under the scheme, they would limit the amount that could be used to 50 per cent. Today, they appear to have turned full circle. Instead of saying that they will limit the dependence of BES companies on property they are saying that privately rented sector companies can be 100 per cent. dependent on property assets.

There is a further irony in what is happening. For months we have been saying that public funds that should have gone to the National Health Service, local authorities and social services departments for the benefit of the many have been going in tax concessions to private hospitals, nursing clinics, private health clinics, private schools and private accommodation for bed and breakfast for the benefit of the few. We said that those abuses should be limited. Yet the Government have opened up a new area of opportunity, with tax reliefs for a new area of the private sector, which is as yet unexploited under the BES. That is why we now have this proposal to extend BES relief to the private rented sector.

All Opposition Members recognise the housing problem—250,000 more people are on waiting lists than in 1979, there has been a 30 per cent. increase in the number of homeless people, there are twice as many people in bed-and-breakfast accommodation and 500,000 houses have been lost from the rented sector, even after taking account of council house sales.

As has been said, more houses have been lost from the rented sector under this Government than at any other time since the infamous Rent Act of 1957. In response, we believe that the Government's proper action should have been to give funds to housing associations and local authorities to enable them to build houses, and to encourage housing co-operatives. We believe that, for the same money, local authorities and housing associations could achieve far more than is possible under this new business expansion scheme.

Mr. Winnick: Does my hon. Friend agree that, as the rents are to be market rents, it will often be the case, especially in London and the south-east, that rents will be higher than the cost of a mortgage, so the very people about whom we are worried, who cannot afford a mortgage, are hardly likely to benefit from the Housing Bill. Is that not a measure of the hypocrisy of the Government's legislation?

Mr. Brown: If my hon. Friend will stay with me, I shall return to that point, which goes to the heart of our objections to the scheme.

We know what the scheme will do for the private investors whom the Minister is anxious to encourage. We know that someone who invests £40,000 in a BES company can save £16,000-worth of tax. We know that, on the occasion of houses being rented, complete decontrol is proposed under the Housing Bill and that companies can charge whatever rent they want. We know, too, that, after five years, shares in BES companies can be sold without there being any liability to capital gains. We know what gains there are—they come three times over—for those who invest in such schemes. What we do not know and what we have not heard, however, are the gains to tenants.

There is no guarantee—the Minister confirmed it—of fair rents, of long-term security in accommodation or of good quality landlords. It is small wonder, therefore, that this proposal did not surface in the Conservative party manifesto. As far as we can understand, it has never been advocated by any local authority and it has never been put out to anyone for consultation, and when it was

announced immediately after the Budget the reaction of housing authorities and housing associations was anything but supportive.

Mr. Quentin Davies (Stamford and Spalding): The hon. Gentleman asks what is the benefit to the tenant. Is not the provision of new, additional rented accommodation of inestimable benefit to potential tenants?

Mr. Brown: The hon. Gentleman should read the details of the scheme. There is no guarantee of new accommodation. There is no guarantee that houses will be newly built rather than merely bought for renting under the scheme. As for rents, the hon. Gentleman will see clearly that the people who will benefit are not the migrant workers from the north looking for jobs in the south, which was the original intention of the scheme, but people looking for second flats, such as executives wanting accommodation in London or other major cities.

Mr. Gow: The hon. Gentleman unintentionally misled the House. He said that there was no reference in our manifesto to the proposal before the Committee. I shall read what we said:

"We must attract new private investment into rented housing—both from large institutions . . . as well as from small private landlords . . . to encourage more investment by institutions, we will extend the system of *assured tenancies*. When introducing the motion, my right hon. Friend followed precisely the promises made on page 13 of our manifesto.

Mr. Brown: I hope that the hon. Gentleman does not wish to mislead the House. He failed to mention that at the heart of the scheme is the provision of a tax concession to people who, primarily, will be top rate taxpayers. There was nothing in the Conservative party manifesto which said that public money—taxpayers' money—would go to BES companies or any other companies to stimulate the private rented sector. That is the basis of the objection to the scheme—public money is being used to finance accommodation in respect of which there is no guarantee of fair rent, secure accommodation or good quality landlords. That money could be far better spent by local authorities or housing associations to build more houses or to repair houses for which fairer rents are charged.

I shall consider the drawbacks of the scheme. The Minister said that it is based on the principle of assured tenancies, and that people who rent under the scheme will have what he would regard as security of tenure under assured tenancies. We know that assured tenancies will provide less protection than secure tenancies under the Rent Acts, that there are seven mandatory reasons for tenancies to be repossessed and several other discretionary powers, that among them is the failure of the owners to pay the mortgages and that another is rent arrears after three months.

We know that another justification for repossession, at least in England, is the offer of alternative accommodation, which is vaguely defined as "suitable". We know that one of the principal loopholes that is likely to be used is the landlord declaring his intention to redevelop, whereupon he automatically has the right to repossession without, as we understand it, even having planning permission to carry out the redevelopment. We know, therefore, that there will be considerable abuse of the scheme.

The Financial Secretary has conceded that there is a financial benefit to companies which sell up after five years, and therefore secure vacant possession to enable them to sell up. We know that assured tenancies are more likely to be five-year tenancies at best. The people who gain them are likely to find themselves in other accommodation at the end of that period.

It is small wonder that those who advise investors in this matter have already said—an estate agent has said it:

"the grounds for possession are much more extensive than under the Rents Acts and include some previously available only under part II of the Landlord and Tenant Act 1954 for business purposes".

The latest publication from the BES advisory group called "Best BES" concludes with a paragraph entitled, "Likely Exit Routes" thus:

"more likely perhaps properties will be sold either untenanted or with tenants".

The idea that people will be advised that they are in the business of providing long-term accommodation lasting beyond five years, and the guarantee that these will be assured tenancies which cannot be broken will, under the new Housing Bill, I believe, prove groundless.

What are the guarantees about the quality of landlords? Housing associations are debarred from involvement in the scheme. Assurances involving the registration of landlords under assured tenancies, are, as in the previous legislation, being abandoned. There is no provision such as that involving the Housing Corporation whereby landlords are registered and approved. The proposal for social landlords will not come within the remit of BES landlords—the Financial Secretary confirmed that. What guarantees do we have, therefore, that landlords who have no experience, no track record and no approvals or supervision will have any commitment to proper standards of property and the proper treatment of tenants?

Is it not as my hon. Friend the Member for Leeds, West (Mr. Battle) suggested—that the landlords that local authorities and housing associations are trying to outlaw because of their atrocious record will be brought back to life? Indeed, under this scheme, they will be guaranteed state support in the form of tax concessions. Far from eliminating exploitative landlords, there is nothing here which will guarantee, under a social landlords charter or anything else, that the landlords who are being outlawed will not reappear. That is why one firm of accountants recently said:

"Rachman one suspects would not have been slow to take advantage of the scheme had it been around in the Sixties."

Under these proposals, Rachman is subsidised by the state with an open-ended commitment which the Government think might cost £40 million in its first year.

5 pm

That is not the only problem. There is another problem that the Minister did not properly address. We are being told by Ministers that the aim of the scheme is to help the mobility of people round the country. We are told that it is to help workers in the north find accommodation once they find employment in the south. However, the information available to us suggests that the rent for a house costing up to £125,000, which is the limit of the scheme in London, could be as high as £240 a week and the rent on a £85,000 house, which is the limit in the cities and turns of the rest of Britain, could be as high as £154 a week on a market basis. When rent is as high as that and the housing benefit maximum will be only £114 in Westminster, £70 or £75 in other parts of London such as Kensington and Chelsea, £88 in Camden, £39 in the west

[Mr. Brown]

midlands and £34 in Humberside, there is little chance, even with housing benefit support, of the migrant worker being able to afford the rents that will be charged under the business expansion scheme.

In other words, the rents that will charged will rule out the very people the Government say they are trying to help. It is the higher paid business men, with the rent probably paid by the company, who will benefit from such tenancies. It is not the first home for migrant workers that it likely to result from the scheme but a second home for temporarily resident business men. That is not the group in the country with the highest claim upon the charity of taxpayers.

Instead of suggesting that ordinary average wage workers are likely to benefit under the scheme, surely it would be better if the Government took up the suggestions made by the Employment Institute in its pamphlet published a few days ago. It said that if the Government are to continue to reject the proper answer to these problems, which is an active regional policy, the best solution for people moving south is publicly provided accommodation at rents that people can afford.

On top of the insecure tenures that are likely to result, the high rents that are likely to debar all but the best-off workers and the failure to provide guarantees against bad quality landlords, we come to the problem at the heart of the scheme. The same amount of money as the Government will give in tax subsidies to the rich could have been used to build local authority housing, sponsor housing associations or develop housing co-operatives.

We asked the housing associations what they believed could be done with the sum of money that the Government have set aside for the first year cost of their tax concessions. They told us that for that amount of money they would be able to build more than 2,000 new houses —2,000 extra houses, not houses taken from the accommodation sector now—and charge sensible rents for them.

We asked the Association of Metropolitan Authorities what it could do with the same amount of money—£40 million. It said that that would be sufficient capital to enable it to borrow sufficient money to build 10,000 local authority houses a year. Therefore, in return for a provision that will probably bring about 1,000 rented properties in its first year, we could have provided the capital to help to build up to 10,000 local authority houses. That is the scale of the missed opportunity caused by the Government's obsession with providing tax reliefs under the business expansion scheme.

As a result of the Government's policies, the number of public sector starts is at its lowest since 1945—and at a time when the need is becoming greatest. At the same time, the annual figures for house building in the public sector have fallen from 81,000 in 1979 to what is estimated to be only 29,000 this year. The Minister should respond to us by saying that, after looking at the finances of the business expansion scheme and recognising that the £40 million could be far better spent in the provision of local authority or housing association finance, the value for money achieved by this proposal is far less than would be achieved in the public sector.

It is a tragedy that the Government seem to feel that there is a psychological need to circulate cash around property developers and speculators before it can do any public good. The truth is that ideology in the Conservative party is now so rampant that it would prefer to subsidise the private sector to do the job inefficiently than support the public sector to do the job efficiently.

We are aware of a number of deficiencies in the business expansion scheme and my hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) will deal with them when he winds up. Money that should have been raised for businesses in the north has been diverted to the south, money that should have gone to small businesses has gone to large businesses, money that should have gone to the manufacturing sector has gone to the service sector and money that should have gone to projects that would have created far more jobs has been frittered away on projects that the Minister has latterly had to ban.

The truth of the business expansion scheme for private rented housing accommodation is that it has been founded on dogma about the benefit of the private sector. It has been fired by selective generosity towards top rate taxpayers who stand to benefit far more than any tenant can benefit from the scheme. It has been justified on the myth about the average migrant worker being able to do well out of the scheme when the Government know that that cannot be the case. It is riddled with abuses and anomalies that will force the Minister back to the House to change the legislation in a short time.

In this debate the scheme has been exposed for what it is. It is a mechanism for taking the housing problems of the many and transforming them into the tax havens for the few. The scheme will do little for those who most need housing help. The money that is being spent on it should have been given to local authorities and housing associations to allow them to build the houses that we need. It is for those reasons that we will vote against the scheme.

Mr. John Watts (Slough): There would be little disagreement in the Chamber about the fact that there is a need for greater provision of rented housing in this country. Home ownership has increased at a rapid rate. That is commendable and desirable if it is a matter of free choice. However, if home ownership is merely a matter of Hobson's choice for those who would prefer to rent but who are denied the opportunity because there is no supply of rented housing, it is not a matter for congratulation. Therefore, one reason for wishing to see a greater supply of rented housing is to give individuals the same choice of renting accommodation as they have of owning their home.

Mr. Battle: Is the hon. Gentleman still in favour of the policy of increasing the number of owner-occupied homes in Britain? At present, that stands at 62 per cent., and I understood it was the Government's policy to increase it to 75 per cent. Has it not occurred to the Conservative party that perhaps the reason for the shortage of private rented accommodation is that owner-occupation has increased? Is the hon. Gentleman now saying that his party feels that we have gone too far in the direction of owner-occupation and that we should pull back from that policy?

Mr. Watts: Not at all. I am happy that we should continue to encourage and assist those who wish to become home owners. However, there should also be the option of renting. I believe that we have reached the point where, because of the fast dwindling private rented sector,

many people do not have that choice. That is what the proposals in the Housing Bill, supported by this clause in the Finance (No. 2) Bill, are designed to redress. Therefore, the first justification for what we are putting forward is the freedom of individual choice. The choice of renting is as valid as the choice of owning.

Mr. Winnick: How can the hon. Gentleman talk about choice? I do not know about his mailbag or surgeries, but people write to me daily asking for rehousing and they come to my surgery with housing problems. They do not know about choice. They cannot afford a mortgage. In the main, they are family people who, on their restricted incomes, cannot obtain a building society mortgage. How will they be in a position to pay market rents when in many cases the rent will cost more than a mortgage and when housing benefit is being drastically reduced?

Mr. Watts: I cannot understand how a market rent on a property could possibly be greater than the cost of funding a mortgage to purchase the same property. If it were, no would-be tenant would take that option. There will not be any choice for people who wish to rent if the hon. Member for Walsall, North (Mr. Winnick) and his hon. Friends continue to seek to frustrate any measure designed to increase the supply of rented accommodation. If the Labour party does that, it will not in any way give greater choice either to my constituents or to those of the hon. Member.

Mr. Ian Taylor (Esher): Few lenders are prepared to advance a 100 per cent. mortgage. The difficulty for people trying to get a mortgage is in finding the differential capital amount. The attraction of rented accommodation—at least while people are establishing themselves in new working environments—is that people do not have to find the capital deposit that is required.

Mr. Watts: My hon. Friend makes a valid point. In addition, people do not necessarily wish to put down permanent roots—as is often implied by home ownership—early in their careers, when they may make many job moves.

After choice, the second justification for seeking to increase the supply of rented accommodation is that it will improve labour mobility. Labour Members pooh-pooh this, but every Friday 30 or 40 pages of vacant jobs are advertised in my local newspaper. There are unemployed people in Walsall, North who would love to come to Slough for a job, but they are prevented from doing so because they cannot obtain accommodation there.

We have heard from Labour Members, predictably, the bleat for more council housing. The Labour party has only one solution to any housing problem—build council houses. That will not improve labour mobility. One need only look at the poor supply of council housing in the pool for the national mobility scheme to see how true that is. Obviously, the claims of existing constituents of local authorities are given priority over those of potential constituents. The demand of an existing tenant to transfer to better accommodation will always be accorded priority over the claim of someone who wishes to move into the area to take up employment. No conceivable level of capital expenditure on public housing will ensure that there is such an oversupply that the needs of those wishing to move into an area to take employment can be met by expansion of public sector housing.

There is no advantage for labour mobility in providing greater funds for the public sector. By contrast, the private rented sector is available equally to local people who are seeking rented accommodation and to those who want to move into the area for employment. There is no bar to the latter being granted a tenancy. They compete in the same market with others seeking rented accommodation.

The importance of expanding the private rented sector is recognised in the Housing Bill, which is the main vehicle for encouraging a resurgence of supply of private rented housing. Clause 49 of the Finance (No. 2) Bill, extending the business expansion scheme to assured tenancies, is intended to provide an initial boost to the intentions behind the Housing Bill. It is common sense and essential that the BES should apply to the same categories of assured tenancy as are defined in the Housing Bill. Any move to impose on housing investment further qualifications and requirements that would qualify under the BES—such a suggestion was made in amendment No. 1, which we have rejected—would blunt the impact of the useful boost that we are able to provide through this fiscal measure. Any such additional qualifications would be bound to defeat the pump-priming purpose of clause 49.

5.15 pm

The Opposition have professed concern for the future security of assured tenants. Their form of protection would prevent potential tenants from ever having the opportunity to obtain a tenancy. It would so constrain the conditions under which anyone could offer accommodation for rent in the private sector that no one would offer it. The purpose of providing housing for rent, and providing for greater choice and the needs of labour mobility, would be defeated by the Opposition's professed concern to provide protection.

The hon. Member for Dunfermline, East (Mr. Brown) criticised the tax relief that will be given under the scheme as squandering money that should be given to the National Health Service, local authorities, and so on. We have heard that bleat throughout our consideration of the Budget and the Bill. The hon. Gentleman missed the point that incentives to encourage investment maximise the benefit to potential tenants who are looking for property to rent and minimise the cost.

With tax relief at a maximum of 40 per cent., it must follow that two and a half times as much housing is provided for every £1 in lost tax revenue as would be provided if the same amount of cash were expended through local authorities. For every £1 lost in tax revenue through this relief, it would be necessary to spend £2·50 if the same amount of accommodation were provided through the public sector, and that is even making the generous concession that the public sector could provide housing as efficiently and as cheaply as the private enterprise system.

The Government's proposal maximises the benefit for people who need houses to rent—people for whom the Conservative party cares and whom the Opposition would sacrifice to their hatred of the private enterprise system in general and of landlords in particular. I give the clause my full support. I hope that it will be carried with a substantial majority to show how serious we are about expanding the provision of private rented accommodation.

Mr. Alistair Darling (Edinburgh, Central): The Government's support of the clause is indicative of their

[Mr. Alistair Darling]

attitude to a major problem. The primary purpose of the clause is to provide a tax shelter for a few, using the housing shortage as an excuse. It has potentially unpleasant side effects. There is no doubt that there is a major housing shortage. The high demand is ruthlessly exploited by many private sector landlords. There is a particular shortage of rented accommodation at prices that people can afford. The people who find it most difficult to move about and to secure any accommodation at all are those on low incomes, who cannot afford the price of housing.

The hon. Member for Slough (Mr. Watts) asked why the private sector has been in decline. The answer is simple: successive Governments have subsidised home ownership. It is obvious that anyone who has the means will attempt to buy his or her own home because it is very much to his or her advantage to do so. That is why the private rented sector has declined throughout this century.

It is interesting to note that in home ownership the subsidy goes to the purchaser of the home, whereas under this scheme, rather than the public subsidy being given to the tenant, it goes to the landlord. On Second Reading I said that if the Government were serious about promoting tenants' choice it would be far better to subsidise tenants so that they could shop around and use their increased purchasing power to choose suitable accommodation. Instead of that, the cuts in housing benefit have greatly reduced the purchasing power of prospective tenants, especially at the bottom end of the market.

What is the answer to the housing shortage? The Government are providing an opportunity for a few people to obtain further tax relief. The clause provides a tax break for the better off. Rachman rides again, and this time the taxpayer is providing the horse.

Mr. Ian Taylor: The hon. Gentleman has got it the wrong way round. The Government are trying, through the medium of tax incentives, to provide much more rented accommodation for people who need it.

Mr. Darling: I shall develop that argument shortly. I do not think—and I do not think that the Government believe—that this scheme will bring on to the market the thousands of extra houses that are needed. In any event, any houses for rent will be at the top end of the market, particularly in the south-east of England, where high profits can be made. Other parts of the country where there is a demand for accommodation and a need to encourage increased mobility will not be so attractive to people who wish to invest under the business expansion scheme.

One of my objections to the clause is that it specifically excludes organisations such as housing associations which have done much to provide low-cost housing. Clause 49 (2) (b) specifically states that the qualifying activities are

"activities which . . . are, during the relevant period, conducted on a commercial basis and with a view to the realisation of profits."

Clearly it is those who would profit from providing accommodation who will be subsidised.

I have three basic objections to the clause. First, it provides a tax shelter, giving a 40 per cent. discount to higher rate taxpayers. We must remember that only a few people in this country have between £500 and £40,000 to invest. They are not the ordinary, run-of-the-mill people. Very few people have that sort of money to play around with. The Government are aiming the provision at those who have a great incentive to reduce their tax liability and who have vast sums of money available to tie up for five years.

Mr. David Shaw: Is the hon. Gentleman aware that about 70 per cent. of all those who have invested under the business expansion scheme are taxpayers at below the highest rate and that many standard rate taxpayers have invested in the scheme over the years?

Mr. Darling: Most of the money has gone to those paying higher rate tax. I repeat that the scheme is aimed at those with substantial sums of money available to invest which they are willing to tie up for five years.

The second objection is that after five years investors can sell up and get a profit, free of capital gains tax.

The third objection is that in some cases those providing accommodation at the bottom end of the market will receive a subsidy from the public purse because their tenants will have their rents financed through the Department of Health and Social Security. A few will provide accommodation at that level, but for the most part investors will be looking for market rents to improve the return on their investment, and that means high rents. Those with low incomes will not be properly catered for.

The scheme provides a tax break for the rich instead of looking after the least advantaged. It exploits those who have no choice. Furthermore, it is open to abuse, as my hon. Friend the Member for Dunfermline, East (Mr. Brown) said. If the capital gains tax advantages are to be realised, it is necessary to ensure that there are no tenants in the building at the end of the period. Clearly, the value of a property increases if it is not burdened by tenancies. This will give landlords the incentive to get rid of tenants by using the powers to be made available to them under the Housing Bill. By arguing that there is alternative suitable accommodation and that he wants the house for redevelopment, the landlord will be able to get the tenants out and realise his profits.

Who is to police the scheme? The Inland Revenue has enough trouble as it is in tracking down people who push tax advantages to their very limits. To give powers to local councils would be anathema to the Government, who have a pathological dislike of local authorities. With the money that is to be made available, local authorities could provide properly supervised accommodation for those who need it. If we are prepared to make funds available by way of tax forgone under the business expansion scheme, it would be far better to give that money to public bodies to provide accommodation, without the need to make a profit, thereby making a saving to the public purse.

We should invest in the public sector. I cannot see what is intrinsically good about the private sector providing accommodation, or what is intrinsically bad about local authorities and public bodies providing it. We should be willing to look after local authorities and housing associations, many of which have a very good track record of providing accommodation where it is needed.

The Government have completely abandoned any regional policy. We know that most of the money under the business expansion scheme has been invested in the south-east and that less than 4 per cent. has been invested in Scotland. If we are serious about encouraging businesses to set up outside the south-east of England, we

should provide accommodation and give industry other incentives to move out of the overheated south-east. One of the laudable aims of the Scottish Special Housing Association, for example, was that it sought to provide accommodation where the labour was needed. Such a policy would get round the argument of the hon. Member for Slough.

In short, the clause is a tax break for those who have always been looked after by the Government—the few people to whom the Government have always attached a high priority and shown great favour. Those who have are to benefit at the expense of those who have not. The provision is, first and foremost, a tax shelter. Everything about the scheme points in that direction.

The serious problem of homelessness is not being addressed either in this Bill or in the Housing Bill. The business expansion scheme will not solve the problem. It will not bring on to the market the rented accommodation that is so desparately needed. According to the Government, there was a need to cut back on housing benefit because it was an open-ended commitment. This proposal is an open-ended commitment if ever there was one. We do not know how much it will cost the Exchequer in tax forgone, yet the Government are prepared to allow this blank cheque to be written to look after the few. The provision is a tax break first and foremost, and it will take a great deal to convince us that it is anything else.

Mr. Gow: The Committee may want to take note of the fact that, having lost his amendment, the shadow Chancellor of the Social and Liberal Democrats has left us and made way for others on the Liberal Benches.

The debate is about whether the clause should stand part of the Bill, but quite rightly, my right hon. Friend the Financial Secretary and the hon. Member for Dunfermline, East (Mr. Brown) spent much of their time dealing with the housing aspects of the Bill. I, too, intend to talk mainly about the housing aspects, although at the very end I shall have to say something about the fiscal desirability of the proposal.

When the Chancellor made his Budget statement, he said:

> "For years, the shortage of private rented accommodation has been an obstacle to labour mobility. The Government's proposals to deregulate new rents are already going through the House. Deregulation will, over time, substantially increase the supply of housing for rent. But this will not happen overnight, and there is a case for a special incentive to speed up the process in the early years."—[*Official Report*, 15 March 1988; Vol. 129, c. 1002.]

I entirely agree with what the Chancellor said on 15 March.

There is no doubt that there is available and empty today a large amount of property which is underused or unused. Part of the purpose of the Finance Bill is to bring that unused or underused accommodation into use. The fact that it is empty at a time of considerable homelessness is a massive indictment of the present state of the law. It is to the redressing of that evil that the Housing Bill is in part directed. That Bill is designed not just to bring into use existing unused or underused accommodation, but to achieve something that has virtually not happened at all in the past half century—to attract new investment into the building or conversion of housing for rent in the private sector.

5.30 pm

Everyone should welcome the provision of new investment for the building of houses or flats to let in the private sector The Labour party should welcome it, especially for its employment consequences. Labour Members are rightly deeply concerned about employment. They used to tell me constantly that we needed to spend more money on housing. Part of the reason for that was the fact that construction of houses and flats is highly labour intensive. *[Interruption.]* The hon. Member for Workington (Mr. Campbell-Savours), clad in the Liberal colours, seeks to intervene from a sedentary position. He would be wiser to make his own speech in due course if he manages to catch your eye, Sir Paul.

I do not wish to be led astray by the hon. Gentleman who, like me, has this afternoon escaped from the Public Accounts Committee. Even he should welcome the prospect of still further employment in the construction industry as a result of this measure. It is not enough just to encourage those who have empty accommodation to let their property. It is high time for some new investment in the private rented sector.

Mr. Battle: Will the hon. Gentleman explain why he has not supported an increase in housing investment programme allocations so that cities such as Leeds can put money into private rented accommodation through improvement grants in housing action areas? Local authorities have a strategy which seeks to deal with housing in both the private and the public sectors, but the cuts in HIP allocations have meant that money could not go into improving private rented accommodation.

Mr. Gow: As the hon. Gentleman well knows, in this financial year there has been an increase in the Treasury allocation to the public sector of housing, so his intervention is somewhat self-defeating. *[Interruption.]* I was comparing this year with last. The hon. Gentleman wants more money and my right hon. Friend the Chancellor has provided it this year.

A dramatic increase in private ownership of houses must by definition mean a diminution in the rented sector, but one of the consequences of the drying up of the private rented sector has been that many people who would be only too happy to rent accommodation are today unable to do so. The hon. Members for Edinburgh, Central (Mr. Darling) and for Dunfermline, East asked how we could prove that migrant workers would go into the houses and flats that will be built as a result of clause 49 of the Finance Bill. Of course we cannot prove that, but whoever goes into them, someone somewhere in the country will move up. The hon. Member for Edinburgh, Central should not laugh. It is self-evident that an increase in private rented accommodation will make itself felt throughout those parts of the kingdom in which there is currently an unmet demand for such accommodation.

The provisions of the Finance Bill on their own will make it more attractive for private money to go into the building of houses and flats for rent, but because for the past 50 years there has been virtually no private sector investment in that area, I believe that my right hon. Friend the Chancellor is right to give it an extra boost for the first five years. Clause 49 will accelerate the revival of the private rented sector by accelerating the long overdue return of private investment in that sector.

[Mr. Gow]

The Labour party is thus in a dilemma. Even the hon. Member for Walsall, North (Mr. Winnick), except in his most eccentric mood, must agree that it is no bad thing to have more accommodation available in the United Kingdom. The hon. Gentleman, however, finds it difficult to reconcile that with support for clause 49.

For us, there is no such dilemma. We support the renewal of the private rented sector and believe that clause 49 will accelerate that renewal. We congratulate both my right hon. Friend the Chancellor and my hon. Friend the Minister for Housing and Planning, who was here a moment ago, on the combination of the Housing Bill, which has completed its Committee stage, and the Finance (No. 2) Bill which has just started its Committee stage. We believe that the two together will achieve that purpose which has eluded Governments for the past 50 years, and the sooner the clause reaches the statute book, the better it will be for housing.

Mr. Win Griffiths (Bridgend): It gives me some pleasure to follow the hon. Member for Eastbourne (Mr. Gow) as he has clearly shown the link between the extension of the business expansion scheme in the Budget and the Housing Bill. The Government argue that those two measures will bring an extension of the private rented sector because they believe that the problems of rent control for landlords have resulted in the decline of the private rented sector, but all the evidence collected by reasonable people who might be considered experts on this tells us virtually the opposite.

The vacant property survey carried out by the Department of the Environment showed that rent control was not the reason for empty property. The survey showed that 60 per cent. was vacant due to the poor condition of the property and only 2 per cent. because of the landlord's dissatisfaction with Rent Act controls. The Institute of Housing—scarcely a bastion of Socialist thought—took a similar view. One of its reports states:

> "In the Institute's view statutory controls on both security and rent have contributed to the decline but the evidence is inconclusive to say the least."

The Select Committee on the Environment, in its 1981-82 report, states that the real problem for the private rented sector has been the massive advantage to owner-occupiers through mortgage interest tax relief.

Mr. Winnick: I was a member of that Select Committee. My hon. Friend may be interested to know that when we took evidence from the Small Landlords Association, it dismissed assured and shorthold tenancies as being of no use, and evidence has shown that they were not taken up. Moreover, the association said that small landlords—the same probably applies to large property companies—would be willing to rent only if there was no protection of rents and no security of tenure. If those circumstances could not be achieved, there would be no incentive for the private sector to intervene in housing.

Mr. Griffiths: I thank my hon. Friend for pointing that out and for reinforcing the view of the Select Committee.

A survey carried out in London in 1983-84 found that fewer than two thirds of households were protected by the Rent Acts, and that during the period covered by the survey fewer than one third of new lettings were covered by rent controls. When one adds to that the ease of evasion of existing rent controls, one would have imagined that there would be an increase in lettings, but that has not been the case. The number of lettings has decreased.

In 1983-84, rents that were not protected in any way were an average of £345 a month. Protected tenants were paying £158 a month and registered tenants were paying £128 a month. Translated into current prices, that would mean £450, £190 and £154 a month, respectively. Rent controls have had little influence on the reduction of activity by private landlords. Indeed, the abolition of some controls after 1957 did not result in an increase in the private rented sector.

We can all agree with the view of the Select Committee on the Environment about what is needed to encourage private investment in housing for rent. Its report said that a healthy independent rented sector would require that landlords could obtain a return on investment similar to that obtainable elsewhere and that tenants could, without hardship, pay rents for suitable secure accommodation. There's the rub. Although it is possible for landlords to obtain a return on investment—I dare say that many right hon. and hon. Members pay hefty monthly rents for property in London with which their landlords are well satisfied—the problem lies in tenants being able to pay those rents without hardship. In a city such as London, many people could not dream of paying rents in excess of £400 a month.

The Halifax building society said that the market rent for a terraced property worth £45,000 in the south-east —it must be a little way out of London—would be £86 a week, whereas the mortgage repayment would be £76 a week. There would be no advantage in renting such a house.

Mr. Sydney Chapman (Chipping Barnet): Apart from the valid point made by my hon. Friend the Member for Esher (Mr. Taylor) about the need to put down a deposit on such houses, which must be a material factor, does the hon. Gentleman agree that mortgage interest rates can increase as well as decrease? Although the position is favourable at present, anyone going into the serious business of home ownership, which we wish to encourage and expand, should take those unpredictable factors into account.

5.45 pm

Mr. Griffiths: We can all agree about changes in the mortgage rate and that, until recently, mortgage interest rates have been at record levels under this Government, but we should not deal with that now. We must discuss what is happening. At almost every stage during the past 20 years it has been more expensive to rent decent accommodation that it has been to buy that accommodation, notwithstanding the problems of finding a deposit.

By introducing property companies into the business expansion scheme, the Government are not making a significant contribution to tackling the problems. Will there be a large take-up of the extended business expansion scheme? The Chief Secretary to the Treasury said that the demand for the business expansion scheme remains uncertain. Although the Treasury has estimated that it will cost £40 million in the first year, no one knows for sure. In April, there were reports that Barratts would become involved in the scheme in a big way, although according to the magazine *Housing* in May—only a few weeks later—Barratts was already considering drawing in its horns and

not becoming so involved. When one considers the advantages of tax relief and owner-occupation against the fact that those who rent accommodation obtain no relief, it is difficult to understand how the scheme can be successful.

With the Government's policy of reducing higher rates of tax, although the 40 per cent. relief may prove to be attractive for many people, other schemes will be equally attractive and perhaps less burdensome than this scheme —unless the so-called assured tenancies prove to be less effective and less well-meant than the Government claim.

Under the Housing Bill, tenants will not be as well protected as they were in the past. Landlords could run a coach and horses through some tenancy agreements and get their tenants out without too much trouble. The Government more or less admitted as much by the exclusions that are provided under the assured tenancy scheme—for example, for redevelopment.

The outcome of the business expansion scheme is uncertain, yet the Treasury is committed to pouring millions of pounds into it. The money may not be spent at the end of the year. If in the first year the £40 million is not taken up, it will be interesting to know whether the shortfall will be used to provide money for home improvements or for building new properties in the public sector. We would welcome a commitment from the Minister on that.

We must also consider how the business expansion scheme has dispersed its money throughout the United Kingdom. Anyone from outside the south-east of England must wonder whether the scheme will do his region any good. In the south-east, the business expansion scheme took up 43 per cent. of the money expended in the last year for which information is available. In the same year, only 2·7 per cent. of the money available was spent in Wales. The amount spent in Scotland was less than 4 per cent. Less than 5 per cent. of the money went to the north-west, the north-east and the west midlands.

It appears, therefore, that this will be an opportunity primarily for unregistered and unlicensed landlords, who may not be controlled in any way, to run riot in the south-east because the money is unlikely to be spent elsewhere. The opportunities to boast that Rachman rides again, subsidised by the taxpayer, will be legion.

We call upon the Government to reconsider the clause and to expunge it from the Bill. We must ask whether it is a suitable vehicle for encouraging long-term growth in the private rented sector, or whether it will simply provide for a tax-subsidised property development scheme with a brief rental interlude. Obviously, the Government hope that, having extended the lollipop to potential investors in the property market, the aftertaste will be so sweet that they will keep their money there. They are building that hope on an illusion. All the evidence suggests that investors will make some money out of the scheme while it lasts, but, when it finishes in 1993, there will be a flight of investment away from this area, the money to provide decent housing at a decent cost will be lost, and we shall be no further forward in dealing with the problems of providing housing than we are today.

Mr. Chapman: I am grateful to have the opportunity to contribute briefly to this part of the debate. The Minister reminded the House that in the last 70 years the number of private rented houses has declined from 90 per cent. of the total to just under 8 per cent. today.

There are many reasons for that. First, although it may appear to be a strange reason, there are more houses, or dwelling units. Secondly, there has been a great growth in private home ownership, which Conservative Members welcome. Thirdly, there has been a growth in the past 70 years in the public rented sector; and, more recently with the housing association contribution, which is an invaluable part of our housing stock today.

I have no doubt that there is another reason—that until recently our rent legislation has been framed on the assumption that every landlord is a villain and every tenant a saint. We now have a more equable and fair regime of rent legislation. We must have this better balance on the one hand, while assuring security of tenure to the reasonable tenant on the other. The reasonable tenant represents the vast majority of tenants in this country.

There have been one or two inconsistencies in contributions from Labour Members. The hon. Members for Edinburgh, Central (Mr. Darling) and for Bridgend (Mr. Griffiths) have fairly pointed out that the business expansion scheme is taken up mainly in the south-east. Clause 49 may or may not assist the provision of housing principally in the south-east, where, in certain areas, there is a particularly severe housing shortage. If the Bill is effective, it will help meet the housing needs of people in our capital city and in the south-east generally.

Mr. Andrew Smith (Oxford, East): Given the tight constraints on planning permission in my constituency and in many parts of the south-east, will the hon. Gentleman tell us how that additional housing subsidy can have any effect other than to fuel price inflation and carry owner-occupation further beyond the pockets of many people? It is already way beyond the reach of many people in the south-east. I presume that the hon. Gentleman is a market economist. Will he explain how, with extra money available and no more housing being built, this can be other than property speculation subsidised by the state?

Mr. Chapman: I say, with relief, that I am not a market economist. I do not quite know what that means. However, I take the hon. Gentleman's point. There is pressure for development in the south-east, and there is a shortage of land for development in the south-east, compared with many other parts of the country. Nevertheless, there are plenty of opportunities and there is much spare land in the south-east. I can take the hon. Gentleman to parts of this great capital city and show him sites that are crying out for development.

Be that as it may, not all the housing needs in the south-east can be provided on existing under-used or derelict urban sites. I do not wish to stray too far from the clause, but I invite the hon. Gentleman to attend the Chamber this time next week, as I have been fortunate enough to draw first place in the ballot and intend to bring up the subject of planning controls and the problems facing us, particularly in a sustained expanding economy.

Mr. Darling: I do not want to accept the hon. Gentleman's invitation to attend a debate next week, but he appears to be developing a theme that was developed to some extent by his hon. Friend the Member for Eastbourne (Mr. Gow). He appears to be saying that if a business expansion scheme creates tenancies in London it will create surplus accommodation in other parts of the country. Is not most BES property likely to be at the top end of the market, because market rents will be charged?

[Mr. Darling]

Even if someone came to London to take up a place, that would not help someone in Newcastle who wanted to come to London to seek work but did not have very much money.

6 pm

Mr. Chapman: The hon. Gentleman makes a series of important points, but the issue cannot be divided into black and white. There is a capital limit in paragraph 13 of schedule 4. I do not think that there will be provision only at the top end of the market. House prices and land prices are extremely high in the metropolis, and these prices will be reflected when comparison is made with other areas. I do not accept that the business expansion scheme will play into the hands of those who can afford to provide the most expensive private rented accommodation.

It is said that my right hon. Friend the Chancellor of the Exchequer is wrong to provide a tax incentive which is open-ended. How dreadful. It is then said that we shall be lucky if 1,000 houses are built under the scheme. There is a difference between offering a tax incentive and finding public funds to pay for subsidies in another area of housing. I am not saying that we should have one to the exclusion of the other. I am advocating a fair balance. We need to encourage private rented sector investment much more than we have done in recent years.

If I recollect correctly the words of the hon. Member for Dunfermline, East (Mr. Brown), he said something about ideology running rampant on the Conservative Benches. Having listened to some of the contributions of Opposition Members, it is clear that the well-worn political prejudices are alive and thriving on the Socialist Benches. I am confident that with such antiquated thinking the great Socialist ship will go down at the next general election, as it has in the past three.

I welcome the provisions in the clause and the schedule. Private rented dwellings can and should have an important role in housing provision. An increasing number of young people are unable to start the process of home ownership, for reasons which have been mentioned already, especially by my hon. Friend the Member for Esher (Mr. Taylor). These young people need temporarily and initially to find rented accommodation so that they can save for a deposit and then step on to the ladder of home ownership.

Secondly, there is increasing mobility in our nation. People are seeking jobs in different parts of the country. The hon. Member for Islington, South and Finsbury (Mr. Smith) will be aware that, in some areas of the south-east and some parts of London, employers are crying out for people to work for them and are offering attractive income levels. If the business expansion scheme is a success and creates market rents, those who take employment in the south-east and in parts of London, and who have come from other areas, will be able easily out of their incomes to afford market rents. We must keep an open mind if we care about encouraging the maximum number of people to be in employment.

My third example—the list is not exhaustive—is that there are people who, for various reasons, choose not to own their own home. Instead, they choose to rent. Some of these people would not qualify by any calculation for public sector housing, and provision should be made for them. We must encourage more private capital into rented housing because of the demands that I have mentioned, and others.

I accept that the business expansion scheme is not the only approach, but I am sure that it will make a valuable contribution. Clause 49 will help to add accommodation to the existing meagre stock. I have gone carefully through the detail of these provisions, as have hon. Members on both sides of the House. I recognise that there are exclusions that apply to tenure and type and value of property. After a careful study of the clause and the schedule, I see nothing to prejudice a tenant or prospective tenant.

For example, the Bill excludes property where the landlord or the owner demands a premium. As well as having the market rent established—that has to be done by agreement—the landlord will be prevented from saying, "I can charge only this amount of rent, but if you pay a higher premium than the other person who wants the place, you can have it." I accept that there is a shortage of housing in my area, and I see advantages in the scheme.

I have one detailed query to put to the Minister; and it is appropriate to do so now, as we are in Committee. It concerns the provisions in paragraph 13(1) of schedule 4, which relate to clause 49. I cannot understand why the market value limit is £125,000 in Greater London and £85,000 elsewhere. I agree that there should be value limitation, but I should like to know why my hon. Friend the Minister hit upon these figures. My constituency is an area where the metropolis meets the countryside. In one road in the constituency one comes across the boundary with Hertfordshire. One of the houses in that road adjoins a house that is deemed to be in Hertfordshire. Why should a value limit of £85,000 attach to the house in Hertfordshire, while the house next to it, which is in my constituency, is the subject of a £125,000 limit?

More important, does the limit refer to a dwelling house that may subsequently be divided into units of accommodation, or does it refer to the unit of accommodation that might be derived out of a greater whole? That is worth looking into. Much depends on the value of properties in any one area when compared with values elsewhere. Prices are extremely high in constituencies such as mine and in many other parts of London and the south-east. This could be a material factor. I shall be glad if my hon. Friend will respond to those points. However, I fully support the intention and spirit behind the clause and commend it to the House.

Mr. Campbell-Savours: When the business expansion scheme was originally introduced, I did not show outright hostility, because I believed that it could be made to work. That is still my belief. In a way it has helped in part to create jobs in the regions and in other parts of the United Kingdom. However, what has always worried me is abuse.

It might be worth reflecting for a moment on the origins of the scheme and the conditions in which the Government produced it. It came at a time when industry was not investing in the way that it should. The Government then produced a number of schemes, some of which were quite successful, to produce jobs. Those schemes were on a small scale and they were operated in every part of the United Kingdom. One of the problems at that time—to some extent it persists—was that high interest rates meant that there was a reluctance to invest. Some people said that it was easier to sit on a pot of gold in the bank and live on

the interest than to invest. Against that background, schemes such as BES were introduced to offset the damaging effect of high interest rates on the small investor, especially in areas of unemployment where, invariably, small investors were not too inclined to congregate. Such areas do not normally have living within them people of great economic means. Workington is such an area.

When we originally discussed these matters three or four years ago, I made a somewhat ambiguous speech in that I partially welcomed the scheme but drew attention to a number of areas where I believed that abuse would take place. If I may say so, with modesty, I have been proved to be correct because there have been abuses. I can only repeat what I said then. I believe that the Government have produced a perfectly good scheme, but it was not targeted to avoid the inevitable abuses that have taken place.

I am concerned about one area of abuse. Although the Minister has replied to two of my interventions to reassure me, I want to present him with a scenario in which abuse will occur. I hope that I will not have to return to this point in two or three years' time in the way that I have had to refer to abuses about the scheme in general today.

I refer to comments made by Mr. Stephen Howe of BES Investment Research. I am not sure whether my hon. Friend the Member for Dunfermline, East (Mr. Brown) referred to those comments earlier. However, we seem to have missed the point that a new ceiling has been introduced for the business expansion scheme. Many people have set up companies which have benefited from the scheme. They now believe that there will be a policy shift in the organisations in terms of where they place BES money. They believe that the ceiling will prevent them from adopting—or direct them away from adopting—the schemes that I would have wanted or perhaps would not have wanted if they involved abuse, and force them into investment in housing.

To what extent has the Minister been able to assess in advance the impact and scale of that movement away from the previous investment areas towards housing? The statements from Mr. Stephen Rowe are quite strong. He is quoted in the *Financial Times* of 16 March 1988 as saying:

"It would take a lot of money into the residential property market which would otherwise have gone into genuine businesses."

Mr. Rowe might be correct. I hope that those areas where the scheme has been successful will not suffer as a result of the switch in investment.

I also received a letter from a gentleman in Kent, an area in which I have taken a great interest over recent months. The gentleman, whom I am unable to name today, drew my attention on 2 February to an area of BES investment which he believed was an abuse. I do not know whether it is an abuse, but it certainly shows some remarkably high returns. He said:

"The scheme was prompty abused by the City so much so that some measures were introduced to prevent this, but it would seem without much success. One measure was to limit investment in property to 50 per cent. of the funds raised which has turned out to be something of a joke."

He refers to BES managers looking for a minimum return of at least 30 per cent. per annum, something that was quite easy to achieve with retirement homes where a profit of £100 a week per patient is considered modest. He writes:

"I know of one home here in the south-east"—

that is in Kent—

"which was purchased for £200,000 under the BES and has now 50 occupants each paying an average of £1,034 a month plus extras."

That is £600,000 a year to run a home that was purchased for £200,000 under the business expansion scheme.

If the firm concerned is offering a high quality of care in Kent, I am sure that we would all welcome it. However, I wonder whether the Minister believes that that is the kind of investment that he would have wanted to attract when the scheme was established. Surely the benefits paid by the Department of Health and Social Security, which in many areas are the minimum fees that these homes ask, are enough to insulate people against the heavy expenditure involved in setting up and running those homes.

6.15 pm

I want to refer to my previous interventions and the Minister's responses. The Minister told me that someone could not be a tenant—not officially—of a house or flat in which he had invested under the business expansion scheme. Is it not possible for one, two, three or four people to join together and invest in a house? They might split up that house, perhaps in London, into a number of flats so that each flat, dependent on how the scheme was put together, would fall under the £125,000 threshold for London. If I have been slightly misled in that, I am sure that the Minister can imagine another scenario in which four people might join together to invest in that way.

Mandatory grounds for repossession after four years of assured tenancy require that where the landlord acquired the property before the tenancy began and now wishes to occupy it as his only or principal home, notice must normally be served that this ground will be used before the tenancy begins. My hon. Friend the Member for Leeds, West (Mr. Battle) tells me that those are self-standing grounds for repossession.

Is it not possible that someone seeking to secure a £40,000 discount, which is effectively what the tax deduction would mean, on a £100,000 investment, might make that investment and put in place someone who could not be deemed an associate under the Income and Corporation Taxes Act 1988, specifically section 291, subsections (2), (3), (4), and (6)?

Is it not possible that those people might not necessarily be associates? Might somebody be installed in that residence at a rental agreed between the two parties—remembering what the Minister said—which might effectively be £1 a year? Is it possible that the tenant might be fictitious or even a friend? Someone may become a resident and be given notice at the beginning of the term of four years that he would hand over tenancy after four years while the investor simply lived in the property.

The hon. Member for Dover (Mr. Shaw) intervened earlier when I put my case—no doubt because he is wise about these matters. He said that my point was dealt with in section 291 of Income and Corporation Taxes Act 1988. Perhaps he would intervene now and tell me where the Finance Bill precludes the scenario to which I have referred. Could a person put a friend in a flat in London, save £40,000 or £50,000—through a concession on the higher rate—with an agreement signed at the beginning of a four-year term to state that at the end of that time the friend would release occupation and the investor would move into the flat having procured it with a 40 per cent. discount? Is that not possible?

If it is possible, it will be an abuse. If the Minister wants to check the records, he need simply look back at the

[Mr. Campbell-Savours]

abuses that I predicted some years ago about a scheme that I supported. I am not rejecting the scheme out of hand. However, I believe that it will lead to abuses.

I want the Minister to assure us that the abuses will be dealt with. The Inland Revenue cannot police these matters. We cannot have teams of funny little men from the Inland Revenue running around blocks of flats in London to see who is living with whom, who happens to be in residence or whether there is any connection between a person in residence and someone investing in a business expansion scheme who has gained 40 per cent. relief. I do not believe that the system works like that. Understanding the way in which the Prime Minister's mind works about civil servants, I believe that that is the very last thing on earth that she wants to happen. Will the Minister give me an absolute assurance that that will never happen? If he cannot do so, he has a duty to the Committee to withdraw the whole proposition or to amend it in such a way that the Committee will be reassured.

Mr. Quentin Davies: This Government have been faithful to two important principles in their fiscal policy so far. The first is the desirability of simplifying the tax system. The second is the desirability of getting away from the fatal temptation—I almost called it addiction—to which so many of the Government's predecessors were subject.

That temptation consisted in using each Budget to introduce new tax incentives or penalties with a view to persuading various agents, in one sector or another of the economy, to change their behaviour patterns and to take decisions they would otherwise not have taken—or not to take decisions they otherwise would have taken. Over the years, that tendency has produced, in effect, an increasing attempt administratively to second-guess the market. The distortions that that produced were cumulative and did enormous damage to our economy. I am glad that we have moved away from that tendency to the extent that we have over the past seven or eight years.

The Government have acted pragmatically and not dogmatically. They have been prepared to retain fiscal incentives where there seemed to be a special case for them and introduce fiscal incentives where there seemed to be a very special case for doing that. There are two questions for the Committee to examine. First, is there really a special case? Secondly, if there is, is the particular means of intervention foreseen in clause 49 the appropriate one?

Mr. Gow: Before my hon. Friend addresses himself to those questions, will he explain to the Committee why not a single member of the Liberal party is in his place?

Mr. Davies: Since entering the House I have attempted to interest myself in a number of matters. I find some of them simple to grasp and others more complicated. Some of them I find completely inscrutable. The behaviour of the Liberal party falls into the latter category, and I can offer no help or light in regard to the interesting mystery to which my hon. Friend the Member for Eastbourne (Mr. Gow) has drawn attention.

It seems to me more appropriate, where a special case of the kind I have outlined has been identified, to intervene by means of a tax break rather than by means of a subsidy —simply signing a cheque with taxpayers' money, which is the preferred course in such circumstances of the Labour party. My reason for making that distinction is twofold. First, a tax break tends to reinforce the logic of the market rather than go against it, so it takes investors a little further in the direction in which they might otherwise have been inclined to go more cautiously—rather than turn people back from the course which the market appears to have dictated.

Secondly, as has already been pointed out, if one produces a tax break, one generates a great deal of additional money that is leveraged into the same purpose. I refer to the arithmetic that we have used today, and to the fact that for every £1 that it costs the taxpayer by way of tax breaks, we shall generate £2·50 of new money for investment in private rented accommodation by means of clause 49.

Another question to which I address myself is whether the argument has been made that the priority of rented private accommodation represents a special case. I believe that it does and I shall mention three reasons that seem to me to be cumulatively convincing. First, there is the present state of the private rented sector in this country, but I shall not elaborate on what was said by my right hon. Friend the Minister when he spoke of the important social and economic need to revive the private rented sector.

Secondly, the tax incentive will fit neatly, productively and fruitfully with the Housing Bill that is before the House, with its new concept of assured tenancies, which will involve the tenant paying a market rent. If one has market rents, one finds again that one can with reasonable confidence predict the future real value of rents and therefore of properties, which is the function of rents, over a number of years. It is arguable that, under a restricted rent system, one can more easily predict nominal values. What is important for investment decisions are real prices and values.

If we are to offer the private investor a stake in projects to provide private rented accommodation, and if we are to syndicate investments of that kind, as is foreseen in the Bill, one must produce a reasonable projection of cash flow. That can only be based on some reasonably reliable estimate of what the real value of the rents to be derived in future years is likely to be.

The third reason why I believe there is a special case, and why clause 49 embraces a good and appropriate concept, is that, whether one likes it or not, the memories of the past 30 or 40 years have had a traumatic effect on private investors. The history of rent controls and of excessive security of tenure way beyond the long-term interests of the tenants themselves has left investors with many unhappy memories.

Mr. Battle: Like me, the hon. Member for Stamford and Spalding (Mr. Davies) served in Committee on the Housing Bill. He will surely agree that schedule 2 to that Bill took away tenants' rights under which there was a measure of discretion. There could be a row with the landlord about whether tenants should be evicted, but the Bill is weighted in favour of the landlord, who can say that his tenants will be mandatorily evicted. Tenants have lost their rights and could now, for very small reasons, be evicted. Does the hon. Gentleman think that that is a good thing? Also, what guarantees can he give, from his financial analysis, that moneys from rents will be reinvested in improving properties, to ensure a decent private rented housing stock in Britain?

Mr. Davies: To answer the hon. Gentleman's second question first, the question whether the return from an investment is reinvested in the same sector will depend on the continued attractiveness of that type of investment. The Housing Bill, together with the provisions before the Committee in clause 49, will go a long way, inasmuch as governmental and legal action can, to ensure that investment in the private housing sector remains attractive.

As to security of tenure, one must strike a balance between the apparent and immediate interests of tenants in providing maximum security of tenure and the fact that, if there is absolute security of tenure, no landlord will rent his property. I believe that the Housing Bill strikes a good balance, but that matter is slightly outside the scope of the Committee.

My final point is that, after the traumatic effect of the controls on investors of the past 30 or 40 years, if we are to attract investors—and particularly private investors—back into private rented accommodation, given that there is tremendous hesitation in doing that, we must do something to counterbalance the ill effect on investor confidence of the policies which have been pursued up to now.

Governmental action up to now has been very damaging. I feel that it behoves us to take the need of the economy seriously, and do something to sugar the pill additionally before we invite a whole new range of private investors to swallow it. The Bill does that very neatly. It is well conceived and presented, and clause 49 merits the support of the House.

6.30 pm

Mr. Battle: Although the hon. Member for Eastbourne (Mr. Gow) made great play of the fact that this proposal was in the Conservative manifesto, those of us who served on the Standing Committee considering the Housing Bill were slightly surprised that it was not mentioned once during that Committee stage. The Minister said that the provision builds on the assumption that the Housing Bill will become law. In practice, it will go much further than that Bill towards undermining the rights of tenants.

Conservative Members have expressed the view that rights have swung too far in the direction of the tenant and that power has shifted away from the landlord. However, the myth should be scotched immediately that any tenant has—in the words of the hon. Member for Stamford and Spalding (Mr. Davies)—had "absolute rights". That has never been the case. Under the Housing Bill, tenants' rights to appeal are being eroded and leverage is being provided for the landlord. Clause 49 of the Finance Bill will underpin and assist the landlords by giving them a tax break—as the hon. Member for Stamford and Spalding put it—from the Treasury.

During consideration of the Housing Bill, the Minister for Housing and Planning made great play of introducing a new concept, that of the social landlord. I suspect that he introduced that concept because he felt that the reputation of landlords—particularly private landlords—needed tempering, because there were examples of bad landlordism throughout the length and breadth of Britain. The Minister introduced the notion of a social landlord charter—stretching the language, as it were, between the public and private sectors.

Will those who take up the business expansion scheme have to register with the Housing Corporation? Will they have to register with anyone? Will they be required to have any record in property management, tenant management and rent management? Will the rent be controlled? We know that controls on rent will be taken away by the Housing Bill, but we were also assured that any increase imposed by a private landlord would be matched for those who could not afford to pay by an increase in housing benefit—a public subsidy. That point should not be neglected by those who refer simply to the capital subsidy, taking no account of revenue subsidies.

What guarantees can be given that people will have decent and appropriate housing to rent in the private sector? What will the clause do to improve the standard and quality of housing? It is sometimes suggested that the Rent Acts alone got rid of the private landlord. The hon. Member for Elmet (Mr. Batiste) nods in assent. It seems to me that the private landlord was disappearing in the city that he and I represent long before the Rent Acts were introduced.

In Leeds, at the turn of the century, 72,000 private rented houses called back-to-backs were built in the inner-city areas alongside the rivers and the courtyards of the pubs and inns. That was so that they could plug into the drainage systems and inside lavatories did not have to be provided. Although indoor lavatories had been invented by the Romans, the builders decided, for some unknown reason, to cut the costs of providing decent sanitation. As a result, the drainage system was overloaded. Lo and behold, at the turn of the century the streets where those houses were built were rife with tuberculosis. It was not the Labour councils that introduced the Public Health Acts and public housing to replace the private sector because it had done such a bad job in providing decent conditions.

Mr. John Butterfill (Bournemouth, West): Does the hon. Gentleman not accept that we have moved on rather since those days? We have Town and Country Planning Acts, building regulations and Public Health Acts, with all of which any new builder must comply whether he is building for rent or for sale. The problems that the hon. Gentleman recites from the past are hardly likely to recur today.

Mr. Battle: I am delighted with that intervention. I invite the hon. Gentleman to visit my constituency, for some of the conditions that existed under private landlords then exist today. I could show him flats full of people who live in basements—*[Interruption.]* Conservative Members may find it amusing, but when environmental health inspectors have to take to court the cases of elderly people who live in basements without a window to provide them with light because the landlord is breaking the law, I take the view that such conditions must be tackled.

When a local authority includes in its plans a housing action area to put money direct into the private rented sector and to improve and tackle those conditions, when an £88 million plan is put before the Government and their response is that the city can spend only £22 million so that there can be no grant for the private rented sector, we do not get very far in tackling the problems of at least 50,000 houses in the private sector in Leeds which are sub-standard and in need of major repair and modernisation.

[Mr. Battle]

I hope that the fabric of houses is part of the equation. This is not simply an issue of supply. Quality is also important. Homes must be supplied that people find decent, at a rent that they can afford. The clause is merely a pocket-liner. It has nothing to do with the supply of decent and appropriate housing, and it will not improve the housing stock. Everyone, from the Duke of Edinburgh downwards, has highlighted the crisis in Britain's housing stock. Nor will it give tenants security. Conservative Members may hide behind the word "assured", but they need only read the report of the Committee stage of the Housing Bill to see how past assurances have now been weakened.

I urge hon. Members to think again and to reject the clause. It will do nothing to improve housing conditions in this country.

Mr. Spencer Batiste (Elmet): It is fortunate that I should rise immediately after the hon. Member for Leeds, West (Mr. Battle), because I should like to present a rather different perspective on current events in the city of Leeds, which contains both our constituencies.

Before I do that, it may be worth recalling that the business expansion scheme as a whole came out of particular needs in 1979. Those of us who at that time were specially concerned with small business and the development of investment in it—in the many sectors of the economy where venture capital was woefully lacking—saw the scheme as a prime lever to get money into those sectors. It has been spectacularly successful. The Peat Marwick McLintock report showed that 50 per cent. of the investment raised under the scheme would not have been raised without it.

Perhaps the most valuable part of the scheme is that it signposts areas of investment in which further investment is needed. It signposts them in such a way that further investment follows rapidly from the wider market place, because it is seen, when the business expansion scheme leads, that there is an opportunity for the venture capital market to benefit from it.

It follows from that that the needs for the scheme will vary. The position is now quite different from that of 1979: there is a substantial and much better developed venture capital market. It is surely wrong to adopt a static approach to the business expansion scheme, because if there are sectors of the economy in which there is patently adequate investment in more conventional forms, there is no need to provide tax relief in channelling further money into it.

It is right that from Budget to Budget the Government repeatedly look at the business expansion scheme and try to change its focus to meet changing needs. That seems entirely sensible and logical. From the speeches that we have heard, it seems that no hon. Member has denied that further substantial, varied and flexible investment that can come only from the private sector is needed in rented accommodation. I have no difficulty in warmly endorsing the clause as a method of encouraging a new investment focus by the private sector in rented accommodation alongside the reforms in the Housing Bill.

I must say to many of my hon. Friends who have spoken that for me, and no doubt for the hon. Member for Leeds, West (Mr. Battle), this is not a matter of helping migratory workers going to live in the south-east. If that were the sole justification for the scheme, it would be relatively slender. In Leeds and my constituency, we do not want our workers migrating to the south-east. I came here today from the opening of a £20 million factory in my constituency. It represents the state of the art, as do so many other places in my constituency and in Leeds. When I visit the chamber of commerce and the chamber of trade, they say that we need more skilled people, and we do not want them to be drawn off to go to the south-east.

However, we have a corollary of the problem of the south-east. Because of the success of certain areas, many of the people born and bred in those areas find it difficult to find homes there. Particularly in a constituency such as mine, which consists of countryside abutting on to a city, people who are born and bred in the towns and villages, because of the rapid rise in house prices—exactly the same phenomenon as the south-east—find it difficult to live and work in their home areas where they first chose, and where they have spent so much of their lives. Equally, people who have retired and who are looking for sheltered rented accommodation find it very difficult to find homes near their families who live in the villages and towns around the cities.

It seems to me that success of the business expansion scheme will be measured not just in terms of whether it encourages further investment into the south-east in rented accommodation, but whether it provides a solution in other regions of the country, in areas where there is a desperate need for further rented accommodation. We are hoping that it will produce more units of accommodation out of the existing housing stock.

In many of our constituencies, there are large houses that are not really economic as single family homes. There are many derelict farm buildings which could be converted into smaller homes for renting. That is precisely the operation in which the private sector, and in particular the small business man, seeing an opportunity, needs some fiscal encouragement. With land prices rising as rapidly as they are in the area that I represent—in the triangle between Leeds, York and Harrogate—it is extremely difficult for someone to buy land and buildings for rented accommodation unless there is some form of financial incentive. I believe that the success of the scheme will be judged in those situations.

A number of hon. Members have mentioned that much of the business expansion scheme seems to be centred around the south-east. About a year ago, along with some of my hon. Friends who are particularly interested in small businesses, and with some BES fund managers, I investigated why so much investment was channelled into the south-east. The answer was really quite simple. The scheme is relatively expensive to set up and relatively complex to administer. There needs to be a measure of sophistication in terms of the advice and the support services for setting up and running such schemes.

Until now, all too often those centres of sophistication and the people who are able to handle that complexity tend to set themselves up in the London area. They have many opportunities to invest the money available to them, and naturally, they choose to invest it in places that are most convenient for them to run, to look at, to visit and to monitor.

Mr. Michael Grylls (Surrey, North-West): Does my hon. Friend agree that the limit of £500,000 which the Budget has put on individual investment under the BES, is

likely to draw the scheme out of the City of London, because it is unlikely to prove all that attractive to the big institutions that were investing very large sums in individual companies? I believe that one of the objectives of my right hon. Friend the Chancellor was to make the funds more locally generated.

I agree with my hon. Friend, and I hope that there will be more investment outside the south-east. Does he agree that the scheme could be attached to some of the enterprise agencies that could get together groups of business men who could provide funds locally? That would be much more attractive and would target the scheme to small businesses that need investment, and not to larger ones who can get it through venture funds.

6.45 pm

Mr. Batiste: My hon. Friend, who is chairman of the Small Business Bureau, makes the point that he made so eloquently in his submission to my right hon. Friend the Chancellor prior to the Budget for precisely that kind of amendment to the Bill. I agree with him completely that the lowering of the ceiling to £500,000 may well have that effect.

Equally, one has to bear in mind that the scheme is still complex to administer and that the start-up and monitoring costs can be relatively high. The growing sophistication of the professional advice services in the provinces may provide the best answer, alongside the development of the business expansion scheme. In the various islands of investment around the country where there are very high instances of BES investment, it is usually because some big player locally has taken a scheme by the scruff of the neck and decided to make it work in that area.

The scheme has unlimited potential for further investment in the regions, and in that context it is particularly sad that, with the sole exception of the hon. Member for Workington (Mr. Campbell-Savours), Opposition Members have been so critical of the scheme. I have no hesitation in welcoming it. I believe that it will produce many more units of accommodation out of the existing housing stock, it will improve much sub-standard accommodation, and return it to the rented market, it will assist the mobility of labour, and I hope that it will also increase the accommodation available in the cities and villages of the north and the midlands.

My only regret about the debate is that, with the sole exception of the hon. Member for Workington, there has been such a negative attitude to this important scheme from Opposition Members, and most importantly from the Opposition Front Bench, but that is hardly surprising, as the views of today's Labour party are increasingly irrelevant to today's needs.

Mr. Winnick: The hon. Member for Elmet (Mr. Batiste) says that our arguments are irrelevant to housing in Britain. I must say that his speech was totally irrelevant to the housing needs of so many people throughout the country.

We have heard two main themes from Conservative Members. First, they argued the case for private investment in housing, and one would expect that from Conservative Members. Their second theme is that the housing shortage in the rented sector is all the fault of wicked Socialist controls, and that, if there had not been rent controls since 1915, there would be a flourishing rented sector in the private market, no one would need rented accommodation and all would be absolutely well. If anyone believes such nonsense and such an absolute fallacy, they would believe anything.

During one of my interventions in his speech the hon. Member for Slough (Mr. Watts) disputed that market rents would be as much as, if not higher than, a mortgage. Last November, the *Evening Standard* carried some advertisements for rented accommodation that clearly would be outside the Rent Act 1977. Houses were advertised for rents ranging from £130 to £240 a week. Some flats—not many, but one or two one-bedroom and two-bedroom flats—were costing up to £70 a week.

Bearing in mind the escalating property prices in London and the south-east, surely it is obvious that market rents under the Housing Bill would not be much less, if anything, than the rents which were quoted in the *Evening Standard* last November. That demonstrates the Opposition's basic point that people who are in desperate need of rented accommodation will be unable to afford market rents of the kind that will be allowed by the Housing Bill.

We do not object for reasons of dogma or prejudice. We object because the genuine housing needs of our constituents who write to us or who come to see us will not be satisfied if the only rented accommodation that is available is to be let at market rents. That is why we oppose the Housing Bill and this clause.

I intervened during the speech of the hon. Member for Berwick-upon-Tweed (Mr. Beith) because I consider that the private rented sector has a limited role to play. I do not believe that housing should lead to private profit. It is perfectly acceptable that an owner-occupier should be able to let a room in his house. In many cases that is highly desirable, but housing should be in owner-occupation or provided by local authorities and housing associations. It should not be the subject of private profit.

Mr. Butterfill: Would the hon. Gentleman oppose the provision of private sector rented housing by building societies, insurance companies and pension funds? That is what happens in other countries, which provide better housing conditions than we do.

Mr. Winnick: I would oppose it to the extent that market rents would be payable by the prospective tenants, for all the reasons that I have given.

The business expansion scheme is a form of tax shelter that can easily be abused. My hon. Friend the Member for Workington (Mr. Campbell-Savours) referred to one form of potential abuse. I shall be interested in the Minister's reply. In his usual simplistic way, the hon. Member for Eastbourne (Mr. Gow), who is not in the Chamber, said that the provision of new rented buildings would provide work and that it would help to reduce unemployment. But assured tenancies and shorthold tenancies will not necessarily be provided only in new buildings. Those two forms of tenancies under the Housing Bill will apply to all new lets. The hon. Member for Eastbourne cannot have read the Housing Bill if he believes that such tenancies will apply only to new buildings.

When the Housing Bill becomes the law of the land and landlords let on shorthold tenancies, the minimum length of letting will be reduced to six months. I am aware that the business expansion scheme does not apply to that

[Mr. Winnick]

form of letting, but I do not accept that the Bill will lead to the provision of a large amount of new rented accommodation.

Sheer dogma and political prejudice lie behind the Government's policy not to allow local authorities to build and not to allow genuine housing associations to provide much-needed rented accommodation. The hon. Member for Bournemouth, West (Mr. Butterfill) implied that local authorities are not perfect. I accept that there have been many shortcomings over local authority accommodation, but local authorities have done a great deal to replace the slums and hovels that were such a curse. They have provided accommodation at a reasonable rent and enabled ordinary people, often for the first time, to live in decent, adequate accommodation. I pay tribute to the local authorities. That is why the Opposition are not on the defensive.

Local authorities are said to be too bureaucratic and centralised. My local authority was one of the first to decentralise its housing services by providing 28 neighbourhood services and neighbourhood offices throughout the borough. That example has been copied by many other local authorities. The way to satisfy the acute housing needs of those who cannot afford market rents or mortgages is to provide them with local authority housing or housing association accommodation. They have as much right to be adequately housed as any Member of Parliament.

The Minister said that the Housing Bill goes further than the Rent Act 1957. That is interesting. When the Secretary of State for the Environment spoke on Second Reading of the Housing Bill, I compared that Bill with the Rent Act 1957, but he said that the Housing Bill does not go as far as the 1957 Act. Who is right?

I do not deny that we face all kinds of disadvantages when we grow old. However, one advantage of getting on in years is that one remembers, certainly if one has been in politics for many years, what happened in the past. I am one of the very few Members of Parliament who served on a local authority when the Rent Act 1957 was being implemented. That local authority in north-west London, despite all its difficulties at that time, had to spend a large amount of money on rehousing people who were lawfully evicted as a result of the Rent Act 1957.

Conservative Members say that all the trouble stems from the tight rent control restrictions that were introduced by a wicked Socialist Government, but I ask them to consider what happened when the Rent Act 1957 was enacted. We were told that if the rented housing market were deregulated, plenty of accommodation would be provided, but by the time that the Conservative Government left office there had been, to some extent as a result of the 1957 Act, not an increase but a substantial reduction in rented accommodation. The Housing Bill will have much the same result. Tax shelters, tax relief and subsidies to those who provide private rented accommodation at market rents are completely without justification. For that reason, we shall vote against the clause.

Mr. David Shaw: It is appropriate that before I comment on the clause I should declare an interest. I have been involved in the setting up of a number of business expansion scheme companies. I have also been involved in the setting up of two business expansion scheme funds. I am pleased to say that those companies and funds have resulted in the creation of about 1,000 jobs.

It is relevant to consider the success of the business expansion scheme. Since 1983 it has provided £150 million a year and created about 20,000 jobs. It has also helped small businesses. Often, the money that was raised was below £100,000. Up to half the small businesses that have been given help are not in the south-east. That is quite an achievement. To help small businesses in areas other than the south-east has been a problem, but a number of the clauses will help them to expand. An investment limit of £500,000 in any one company is being imposed under the expansion scheme. That is helpful. Furthermore, the ability of a fund to invest its money after the end of a tax year will help a number of regional funds.

I commend the BES to the House. The Government will find that the tax revenues of the more successful companies that have been set up under the scheme will exceed the relief given to private individuals to invest in those companies. One of the companies with which I have been involved has already paid the Government, in PAYE, national insurance, corporation tax and VAT, more than the relief originally given to the investors. The BES is not intended only for those at the top of the income range, because 70 per cent. of those who receive it are below the highest rates of taxation.

7 pm

It is good to extend the BES to investment in housing. Over the past 20 years there has been little money for private housing. I used to live in my right hon. Friend's constituency of Kingston upon Thames. He used to have advice centres and, as one of the members of the housing committee, I used to assist from time to time. Many of the complaints and problems with which I have to deal relate to housing and the shortage of rented housing. Most hon. Members will confirm that they have similar problems in their constituencies.

Job mobility and the opportunity for people to move around the country to find jobs elsewhere will be helped by this measure. Much reference has been made to the fact that the money given will go to executive second homes. Nothing could be further from the truth. There is a limit of £125,000 in London and £85,000 for the rest of the country, and those amounts will not be used to purchase executive second homes.

The overall limit of £5 million for companies is about right. It will attract much investment, and it has been suggested that about £500 million might be invested in a short time under the BES if the clause is passed. I hope that it will be passed, because that money will provide a lot of rented accommodation.

I was upset when the hon. Member for Dunfermline, East (Mr. Brown) quoted from the BES publication, because he did not quote the last paragraph, which said that people will not be required to leave their homes at the end of the five-year period and that it should be possible to sell the houses to pension funds or investment trusts. I was upset by the suggestion that housing associations will be excluded from involvement in the scheme. There is no reason why they should be. They may be excluded from receiving money under the scheme, but they are not excluded fron managing the housing. I expect that many companies set up under the scheme will delegate management to housing associations.

The opportunities offered by the extension of the BES will be tremendous. It is with regret—I am advised that the Front Benches wish to make their winding-up speeches—that I cannot speak further about the benefits that the clause will bring.

Mr. Beith: I shall be brief mainly because I shall not have to respond to the second jibe this afternoon from the hon. Member for Eastbourne (Mr. Gow). He is not present and is unlikely to be for some time.

In the preceding debate I gave the reasons why I believe that it is wrong to proceed with the BES for private sector rented housing unless it is accompanied by significant safeguards for tenant protection on levels of rent and security of tenure.

Mr. Quentin Davies *rose*——

Mr. Beith: I promised to be brief, so I shall not give way.

The Minister said that he was willing to consider elements of protection, but no Conservative Member has shown any willingness to accept such a measure. Nor have I been convinced yet that the incentive offered calls for a 40 per cent. level of tax relief. The Minister may yet convince us about that, but I find it hard to believe that he will do so, given the nature of the asset that is involved in rented housing—property. The security and prospect of capital appreciation of property is such that it is unnecessary to have 40 per cent. tax relief. Surely standard rate relief would be adequate for the purpose.

The Minister has left us with ample reason for voting against the scheme in the form that he has presented it.

Mr. Rhodri Morgan (Cardiff, West): I should like to raise a couple of matters that have not been raised so far about the way in which the Government believe that clause 49 fits in with the Housing Bill and why it does not achieve the objective, shared by all hon. Members, of improved choice in housing.

Clause 49 is an attempt, late in the day, to cover the inadequacies of the Housing Bill, which was presented as the great deregulating measure which would lead to investment flowing back into the privately rented sector. It was said that it would do so by creating two new forms of tenancy—the assured tenancy and the assured shorthold tenancy.

During consideration of the Housing Bill, the point was made that the assured shorthold tenancy conferred so many additional advantages on the landlord, compared with the assured tenancy, that it would undermine the effective use of the assured tenancy. That point was never denied by Ministers, and I think that it sunk in that there were severe dangers that the assured shorthold tenancy, which gives an approximate six-month tenure, would continuously undermine the likelihood of tenants and landlords agreeing on longer tenancies of 12 months or two years.

Clause 49 emanates from the Government conceding the argument of Labour Members that the assured shorthold tenancy will undermine the assured tenancy if nothing is done about it. As a result, by clause 49 the Government have made the assured tenancy a little more attractive to the landlord by conferring on it but not on the assured shorthold tenancy the benefits of tax incentives at the top rate and the capital gains tax exemption if one sells at the end of four years.

The measure has nothing to do with an attempt to improve labour mobility. If anything, it will have the reverse effect. If the Government intended to improve labour mobility one would have expected them to confer tax advantages on the shorthold assured tenancy, which is far more likely to be used by people moving into a town for the first time. It was expected that people could have an assured tenancy for anything up to 10 or 15 years. This measure cuts out the assured shorthold tenancy. It is merely an attempt to cover over the difficulties that the Government got themselves into with the assured tenancy. A tenancy that confers almost no rights on a tenant is bound to be more attractive to the landlord than one that confers some rights.

The logical dilemma facing the Government is that they do not know what to do to create a level playing field for landlord and tenant. They have undermined the concept of the assured tenancy and are attempting to cover it up with a most unsatisfactory tax break, which itself shows every sign of following the path of failure that the BES has followed since 1979.

Certain specific sectors, which are not highly risky, will tend to attract all the BES investment. That has been the case with old people's homes, and I fear that the BES will not help to cover the equity gap in highly risky investments and new technology but will grow and be invested in safe investments such as property. As investment previously went to old people's homes, it will go in future to the private sector. This measure has no contribution to make to solving our labour mobility problems.

Mr. Nigel Griffiths (Edinburgh, South): I am sad, but not surprised, that the Government are introducing this clause to increase the potential for exploitation of tenants and to champion the rights of private landlords.

The clause reinforces the Housing Bill, which has deprived tenants of many rights and in particular robbed spouses of rights of succession. We all accept that there are conscientious private landlords. Indeed, when I meet them in my constituency they complain of being driven out by the irresponsible, crooked landlords, who, they tell me, receive support and succour from the policies and philosophies of the Government.

I shall not vote for the clause because elements of the private sector have an appalling record. Yesterday, Mary Marshall, the director of Age Concern, said:

"Some private sector homes are making huge killings"

exploiting the elderly. Like me, she believes that

"the law is not strong enough to deal with the cowboys."

We know that the Government have done nothing to strengthen the law to protect private tenants. An excellent article in the *Sunday Post* yesterday revealed that the private sector has not been contracting as all Conservative Members have claimed. Provision for people in private nursing homes in Scotland has doubled in two years to 6,132, and with it has come rampant exploitation. One company operating in Scotland is making £6·5 million a year, mainly from the Department of Health and Social Security, and plans to increase its income to £9 million over the next year.

The £85,000 tax limit on properties will have an horrendous effect on the Edinburgh property market. In Marchmont in my constituency there are already far too many flats in multiple occupation—properties where the landlord's interest in the behaviour of tenants is limited to their payment of rent. I fear that the clause will cause an

[Mr. Nigel Griffiths]

explosion of such tenanted flats, to the detriment of neighbours and local residents. It is not that the clause will increase the number of houses or flats. Owner-occupied flats will be taken out of the home-owner market and replaced by tenanted flats, and flat prices will soar as a result.

We are entitled to ask whether the money could be better spent. There are 12,000 families on the council house waiting list in Edinburgh alone, 2,000 of them in my constituency. The Government's investment for one dwelling in Edinburgh under BES is estimated by the Treasury at £34,000. The same sum would enable the local council to finance a loan to build 10 houses to rent.

The clause shows that, when the Government have to choose between giving the private sector £34,000 to provide one house and giving the public sector the same money to provide 10 houses, their heads are ruled by dogma and not by the practical necessities which the whole country would support.

Mr. Chris Smith (Islington, South and Finsbury): The Opposition have made clear for some considerable time their doubts about the operation of the business expansion scheme. We believe that it is an inadequate and inappropriate mechanism for raising equity finance for high-risk small ventures. It is, however, a highly appropriate mechanism for avoiding tax; and even when the tax rate being avoided is 40 per cent. rather than 60 per cent., though less attractive, it is still attractive.

The Government are introducing changes, which we shall no doubt spend some time discussing in Committee, to ensure that there is a limit of £500,000 on the investment. It is only a marginal improvement. It is worth noting that that limit does not apply to the rented housing provisions which form the burden of clause 49.

The Government have relied heavily when praising BES—the hon. Member for Elmet (Mr. Batiste) did it again today—on the Peat Marwick report. The Financial Secretary has mentioned it several times in our debates thus far, but he ignores and fails to tell us that that report dealt only with the first year of BES. It did not go into any detail for subsequent years.

During the later years, however, there have been changes in the nature of investment under BES. For example, there has been a significant increase in the average size of investment. There has been an increase in the proportion invested in non-manufacturing enterprises. There has been a growth of prospectus issues as opposed to individual issues. Above all, there has been an increase in the cost per job of BES. It is worth remembering that, even in 1983-84—the first year of operation—the cost per job of BES was higher than the cost of creating or saving jobs in other small business promotion ventures.

Mr. David Shaw: Would the hon. Gentleman care to comment on something that I said—that one of the companies in which I am involved will pay more in tax to the Government after five years than the Government gave in tax relief to investors?

7.15 pm

Mr. Smith: Of course I heard what the hon. Gentleman said. I was listening with great care, as he is closely involved with seven BES companies and funds. His comments ignore the fact that that is not the universal experience. Moreover, the Peat Marwick report reveals that BES has been more successful at saving than creating jobs. It is worth examining carefully what money the Exchequer has paid out, and what it has got in as a result.

The business expansion scheme has many flaws, but clause 49 represents a wrong use of an already inefficient scheme. It is being applied inappropriately and unacceptably when it comes to the provision of housing. It is worth noting that *Housing* said of the BES:

> "Cut-price property deals giving short-term pets for those who can't afford to buy their own homes and tax breaks for the rich—that's the reality of the Government's latest scheme to boost private rented housing."

That is indeed the reality. We should consider what will be provided by the scheme that is proposed in clause 49.

Rents will be high. They will be at market levels. The Housing Bill, which sets up the system of assured tenancies, establishes a two-stage process for the establishment of rents. The first is what is called an agreement between landlord and tenant. It is effectively the amount at which the property is advertised by the landlord. The second stage is the rent assessment committee, which acts as a final court of appeal. It has a statutory duty to take account of market forces. There is no question of fair rents. There is no mention of a rent officer or of a comparison with housing association or local authority rents. Market forces, and market forces alone, will determine rents.

Mr. Butterfill: Can the hon. Gentleman conceive of any way in which it would be possible to encourage the private sector to invest in the provision of housing for rent if it had to provide the subsidy? Does he agree that if subsidies are to be provided, they must come from the public?

Mr. Smith: The hon. Gentleman ignores the basic point at the heart of the debate. A subsidy is being provided by the taxpayer through tax relief available under BES. We do not believe that that is a particularly sensible or sensitive way in which to target public subsidy.

If the hon. Gentleman wants to find out about market rent levels, he should come and see what happens in my constituency. Only this morning, at my advice surgery, I saw a family with no recourse to local authority accommodation who are desperately looking for somewhere to rent. They have no capital and cannot afford to buy. The cheapest property for rent in the private market that they can find in the borough of Islington costs £200 a week.

If the Government say, "Ah, but housing benefit will take care of their problems if their income is low," they have clearly forgotten that the higher rent limit on housing benefit for the borough of Islington is £61 a week. Clearly, that puts such accommodation out of the reach of anyone in any of the categories mentioned by Conservative Members as those likely to be helped by the scheme. It puts accommodation to be provided at market levels under this scheme completely beyond the reach of ordinary people. The rents will be high and, as a result, ordinary people will not be helped by the provision of accommodation under the scheme.

Not only will rents be high, but there will be little security of tenure. "Assured tenancies" is an Orwellian phrase to describe tenancies that will be anything but assured. There are 12 different grounds for possession in schedule 2 to the Housing Bill. For example, ground 7

enables possession to be regained by a landlord simply because work is to be carried out on the accommodation. That will be the easiest, simplest, and, I predict, the commonest ground on which possession will be sought. Also, the prospect of sale to another landlord offers little ground for security under the provisions of that schedule to the Housing Bill.

If a BES company is looking for a mechanism to maximise its profit, maximise the capital gain available to shareholders, which will be tax-free at the end of a five-year period, and a way to get rid of the tenants involved, all it needs to do, at the same time as it sets up the BES-funded company, is to set up a non-BES-funded company with the same directors. It can sell the property from the first to the second at the end of five years and put the capital gain that will be made to the benefit of the first.

It will be easy for landlords to get rid of awkward tenants. They have requirements and needs and, on the whole, they tend to be treated badly by private landlords. The Financial Secretary was asked by my hon. Friend the Member for Dunfermline, East (Mr. Brown) whether he would agree that redevelopment is one of the grounds on which repossession can take place and that it would be to the financial benefit of the company to sell after five years. His answer, which I heard clearly, was yes. If he now wishes to say that he has had second thoughts, I should be delighted to give way to him. If not, that is clearly the position—that it is to the financial benefit of the company to sell after five years.

Not only will rents be high and tenancies anything but secure: it will be a relatively unregulated sector. Who will police the operation of the assured tenancies offered under the scheme? Who will police the companies involved? It will not be the Department of the Environment or the local authority. The only body that will be able to do that is the Inland Revenue, and that is hardly geared up to examining whether a social form of landlordism or a bad form of landlordism is being offered.

The tenancies will be at high rents and there will be little or no security for tenants. The letting will effectively be unregulated. It will be bad, high-cost housing and the scheme will do nothing for tenants. It will do everything for those who want to avoid paying tax. It will do nothing to solve our housing crisis, but it will do everything to create splendid new tax shelter opportunities. I strongly urge my right hon. and hon. Friends to vote against clause 49.

Mr. Norman Lamont: The hon. Members for Workington (Mr. Campbell-Savours) and for Islington, South and Finsbury (Mr. Smith) referred to the wider changes that had been made in the business expansion scheme. The hon. Member for Workington said that he had been fairly favourably disposed towards the scheme originally. Indeed, I remember that. If he will forgive my saying so, it was slightly curious to observe his anxiety about the new ceiling that we have imposed because he is worried that it might affect genuine growing businesses, whereas the thrust of much of what was said by other Opposition Members was that the Government had not done enough to curb abuses under the scheme. I am grateful to the hon. Member for Workington for saying that he approaches the matter with an open mind.

The hon. Members for Islington, South and Finsbury and for Dunferline, East (Mr. Brown) did not acknowledge what has happened under the other changes in targeting the BES much more on the smaller company. One reason why we have been able to do that, as my hon. Friend the Member for Dover (Mr. Shaw) said—I know that he is strongly in favour of the change that has been made—is that after several years' experience of the scheme we now have a venture capital industry that is more able to finance start-ups and new businesses. We do not need a tax relief that goes on for ever for that sort of business. After a few years' experience we decided that it was better to return to the original purpose, which was to concentrate on the smaller business and start-ups.

The hon. Member for Islington, South and Finsbury criticised the BES because, he said, it has started up too many businesses in the south and not enough in the north. He might have acknowledged the fact that the change that we are to make is likely to have a much more favourable effect on areas such as the north where there are fewer entrepreneurs and start-ups.

As my hon. Friend the Member for Elmet (Mr. Batiste) said, it has been widely commented that the changes are likely to bring about a much more even spread of BES activity throughout the country. I am sorry that Opposition Members do not feel more able to welcome the changes in the scheme, which have been widely welcomed outside and which are overwhelmingly sensible.

The hon. Member for Workington raised a specific point about avoidance under the BES as applied to the new lettings. He described a situation in which somebody might let a property to an associated person. My hon. Friend the Member for Dover drew his attention to schedule 4(4). That was a reasonable point to make, but I believe that the hon. Gentleman's imagination has been at work. He will be aware that the provisions for the BES as applied to rented property are also governed by other general BES provisions.

Section 289(11) of the Income and Corporation Taxes Act 1988 has a general anti-avoidance provision as applied to the BES. It says:

> "An individual is not entitled to relief in respect of any shares unless the shares are subscribed for and issued for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose, or one of the main purposes of which, is the avoidance of tax."

That provision covers the point made by the hon. Gentleman.

Mr. Campbell-Savours: I would be happy to be reassured, but the Minister must be able to assure the Committee that the Inland Revenue will be able to establish the position. The staff are not in place to check on the personal lives and habits of people and the relationships that might exist between people who might be able to make an arrangement which would be an abuse and which the Inland Revenue could not identify. The Minister has not given me that assurance. He simply says that the matter is covered by the Income and Corporation Taxes Act 1988. I cannot find that provision.

Mr. Lamont: The hon. Gentleman is changing his question. His first question was: is this covered by the Act? The unequivocal answer is yes. His second question was: is it impossible? We do not want an army of snoopers. The Revenue's provisions and resources in this respect are similar to those that it has for checking on many other types of abuse. Given the relatively small number of business expansion schemes, I do not believe that it will be impossible for us to identify those sorts of cases.

[Mr. Lamont]

7.30 pm

My hon. Friend the Member for Chipping Barnet (Mr. Chapman) asked about the limit of £125,000 in Greater London and £85,000 elsewhere and about properties that were subsequently divided. We determined the figures after consultation with the Department of the Environment. We could have fine-tuned them more for different areas, but that would have made the legislation much more complex. Where property is divided, the value of each separate dwelling as let on an assured tenancy is relevant, not the value of the whole property.

Some Labour Members seemed to doubt that we were talking about the provision of new lets. They may not all be new build, but they will be new lets. That is provided for in paragraph 15 of schedule 4.

The Opposition have very much misrepresented the position on security of tenure. Assured tenancies will provide considerable security of tenure. A landlord will be able to repossess a property only by court order, on one or more specified grounds. The general approach is similar to that in the Rent Act 1957, although the grounds for possession differ in some respects. The vital difference is that tenants will pay market rents. Housing benefit will be available to qualifying tenants.

Mr. Battle: Will the Minister concede that whereas the grounds for a change in security of tenure under schedule 2 of the Housing Bill were discretionary before, they are now mandatory? This means that a tenant will have no right to appeal, but will have to go if the landlord applies for a court order.

Mr. Lamont: The grounds have changed in a number of respects. There are fewer grounds than under the original Act.

The Opposition have spent a large part of the debate talking about harassment and Rachmanism. I do not know how resonant the name of Rachman is today, but obviously the Opposition's points are serious. I suggest, however, that they are confusing the incentive to get vacant possession, which exists under present legislation, with deregulation and tax relief, which, if anything, will work in the opposite direction and lessen that incentive. There is no point in getting tenants out if they must be replaced with others, which is what a landlord would have to do under the business expansion scheme, because he must be in the continuing business of letting property.

It is less likely that people will have that incentive if there are market rents, because the values of properties tenanted and of properties untenanted will be much closer. The Opposition, in their desire to misrepresent our proposals, again have totally ignored the steps taken by my hon. Friend the Minister for Housing and Planning to strengthen the criminal law and the civil rights of tenants.

Mr. Chris Smith: Will the Minister confirm two crucial points? Will he confirm that it is easier for a landlord to gain possession under the terms of schedule 2 to the Housing Bill than it is at the moment under the Rent Acts? Will he confirm that there is every incentive for a BES-established company, after the five years of BES funding are up, to gain vacant possession and sell the property?

Mr. Lamont: The hon. Gentleman is—[HON. MEMBERS: "Answer the question."] I am answering. The hon. Gentleman assumes that at the end of the four-year period the landlord can regain possession of the property. Under the Housing Bill, when the tenancy ends, a statutory periodic tenancy arises automatically, so the tenant's security is protected and the landlord cannot count on getting possession. The hon. Gentleman misrepresents the position.

The hon. Member for Islington, South and Finsbury talked about security of tenure. It is clear that, despite all the assurances that have been given, the Opposition simply want to surround rented property with a plethora of controls that will make it extremely unlikely that anyone will ever rent any property. There must be some grounds on which people can regain possession.

Mr. Winnick: A few moments ago the right hon. Gentleman said that there was no incentive for an unscrupulous, Rachman-type landlord to get the existing tenant out. There will be every incentive if the Housing Bill becomes law. I accept that the tenant continues to have protection, but once he leaves voluntarily, or is forced out, that place can and will be re-let, at market rents. There is every incentive for the unscrupulous landlord to act as he would under the Rent Act 1957, and the Minister for Housing and Planning knows that very well.

Mr. Lamont: The hon. Gentleman ignores what I have said about what happens at the end of a fixed-term tenancy. A periodic tenancy then arises automatically. A tenant also has the right to go to a rent assessment committee.

The hon. Member for Dunfermline, East talked about the money that could have been spent on other types of property instead of on this tax relief. As my hon. Friends the Members for Slough (Mr. Watts) and for Stamford and Spalding (Mr. Davies) said, we are getting, not just the 40p in the pound tax relief, but the additional non-taxed relief money, which is going into the provision of rented accommodation. Through tax relief we are harnessing additional resources from the private sector and putting them into the provision of rented property.

The hon. Member for Dunfermline, East said that tax relief would not help the tenant. As my hon. Friend the Member for Stamford and Spalding said, it will help the tenant if it increases supply. The hon. Member for Dunfermline, East said that it would not help to alleviate the problem of moving from the north to the south. As my hon. Friend the Member for Eastbourne (Mr. Gow) said, it will if it increases supply. Of course tax relief will not do so on its own. We need deregulation as well. The Labour party always threatens to reimpose controls, but all the evidence is that rent decontrol by itself cannot always increase supply. The threat of legislation from the Labour party is one factor that has forced us to put forward the proposition that there should be tax relief.

The hon. Member for Walsall, North (Mr. Winnick) does not believe that anyone should be allowed to make a profit out of private housing. No doubt he was opposed to anyone making a profit out of the supply of owner-occupied housing a few years ago. No doubt he would extend his argument to many necessities—clothing, food and so on—but most of us think that the basic things in life can be provided better, more efficiently and at a higher quality by the private sector.

My hon. Friend the Member for Slough said that the Labour party has only one answer—to build more council houses. We believe that if decent rented private accommodation were available on a larger scale it would appeal to the British people. The Labour party will find itself overtaken by events and opinion, just as it was on the sale of council housing and on privatisation. Labour Members will live to regret the day that they voted against the clause.

Question put, That the clause stand part of the Bill:

The Committee divided: Ayes 255, Noes 194.

Division No. 291] **[7.40 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Aspinwall, Jack
Atkinson, David
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Fallon, Michael
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Fry, Peter
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodlad, Alastair
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon Archie *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Mellor, David
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Morrison, Hon Sir Charles
Morrison, Hon P *(Chester)*
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, Emma *(Devon West)*
Paice, James
Patten, John *(Oxford W)*
Rathbone, Tim
Rhodes James, Robert
Riddick, Graham
Ryder, Richard
Sayeed, Jonathan
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Speller, Tony
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stradling Thomas, Sir John
Summerson, Hugo
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, Patrick *(Norwich N)*
Thurnham, Peter
Tracey, Richard
Tredinnick, David
Trippier, David
Twinn, Dr Ian
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Stephen Dorrell and
Mr. Kenneth Carlisle.

NOES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith

Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Bruce, Malcolm *(Gordon)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Callaghan, Jim
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fisher, Mark
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Gordon, Mildred
Gould, Bryan
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Haynes, Frank
Heffer, Eric S.
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Howarth, George *(Knowsley N)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Jones, Martyn *(Clwyd S W)*
Kennedy, Charles
Kinnock, Rt Hon Neil
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
Orme, Rt Hon Stanley
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Primarolo, Dawn
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Turner, Dennis
Wall, Pat
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Winnick, David
Wise, Mrs Audrey

Tellers for the Noes:
Mrs. Llin Golding and
Mr. Alun Michael.

Question accordingly agreed to.

Clause 49 ordered to stand part of the Bill.

Clause 31

ABOLITION OF AGGREGATION OF INCOME

Mr. Norman Lamont: I beg to move, That the clause stand part of the Bill.

It may be for the convenience of the House if I deal with clause 98 at the same time.

It must be rare for so short a clause as clause 31 to introduce such a fundamental change in the structure of our tax system. The clause repeals the rule deeming a married woman's income to belong to her husband for tax purposes, which has determined the tax treatment for married couples since 1805. The rule has become increasingly anachronistic as the role of married women in society has changed, and it is widely resented by wives who find that it denies them independence and privacy in their financial affairs. Making the husband responsible for tax on the couple's combined income forces the wife to disclose her income to him, including details of any investment that she may have and the amount of her savings income, however small. That situation is simply no longer acceptable.

The correspondence received by the Inland Revenue shows that the present system is unacceptable. One lady recently wrote to an inspector of taxes saying:

"I trust there will be no objection to your writing to me personally as I am now old enough to reply to my own letters."

We have moved a long way from the days when the Inland Revenue never wrote to married women, and things have changed since the day when a tax officer concluded a letter to a husband announcing a meeting about the wife's tax affairs:

"Please bring this letter and your wife with you."

Another lady gave her opinion of the present state of affairs when she received a statement from the Inland Revenue by writing back:

"I feel that all your letter would have needed was a penny black to add that final touch of Victoriana, don't you agree?"

Speaking from memory, I believe that another lady wrote as follows:

"My husband played no part in creating my savings though he is only too willing to spend them."

There has been a strong feeling for a long time—reflected in the position taken by the various parties—that the present rule was unsatisfactory.

The rule also imposes a tax penalty on marriage which can result in a married couple paying more tax than two single people in otherwise similar circumstances, just because they are married, and it can discourage a married woman from working if her husband is liable to higher rate tax. At present, a couple share a single basic rate band against their combined incomes and the wife does not have a full personal allowance of her own. Also, the wife's

earned income allowance cannot be set against any savings income that she may have, so this is taxed at her husband's rate from the first £1.

The clause sweeps away this unfair and antiquated system and in so doing it recognises married women as taxpayers in their own right for the first time. From April 1990, a husband will no longer be responsible for his wife's tax affairs. They will each be taxed independently and take individual responsibility for returning their own income, when called upon to do so, and for paying their own tax. As a result, married women will be able to have complete privacy in their tax affairs. Tax offices will communicate with them directly about tax matters and all repayments of tax overpaid on their income will be made to them. The present separate assessment provisions will therefore be redundant.

As individual taxpayers, the taxable incomes of husband and wife will be worked out separately. They will each have their own personal allowance, and any other reliefs for which they qualify in their own right, and their own basic rate band. The tax penalty on marriage and the disincentive to work will thus be removed and there will be no need for the present wife's earnings election arrangements. As a result, 1·6 million wives will have less tax to pay on their income than under the present system. Three quarters of them have incomes of less than £5,000 a year, and 700,000 of them are elderly.

The elderly obtain a particular benefit from independent taxation because of the change in the taxation of national insurance pensions which elderly married women receive on the basis of their husband's contributions. These pensions are currently taxed at the husband's rate. Under independent taxation such a pension will be treated as the wife's income, and her personal allowance—age-related if she is 65 or over—will be available to set against it. That is a very significant change for thousands of elderly couples.

Elderly married men also benefit because a pension of this kind, and any other income that their wives may have, will no longer be treated as the husband's income for the purpose of the income limit on age allowance. As a result, 130,000 more elderly married men will qualify for age allowance. More than 90 per cent. of elderly couples who pay tax at present will be better off, and 160,000 will be taken out of tax altogether.

We believe that it is right that husband and wife should enjoy the benefits of independence and privacy which independent taxation will bring, and that the discrimination against marriage inherent in the present system should be abolished. But it would be wrong and unrealistic for the tax system to take no account of marriage. That is why we have provided in clause 32 for a married couple's allowance and retained the rule that transfers of assets between husband and wife are not chargeable either to capital gains tax or to inheritance tax. Our approach throughout has been to treat husband and wife as individuals rather than as a single unit in determining the liabilities on their separate incomes, while continuning to recognise the special nature of their relationship in a legal and social context.

Independent taxation will be introduced in April 1990—the earliest practical date. Hon. Members may recall that other proposals that have come before the House, such as those for transferable allowances, could not be implemented until 1993, so it is a significant advance to be able to implement this reform from April 1990. In the meantime, the Inland Revenue will be preparing for the change by setting up new tax records for married women, making changes to computer systems and training staff in the new procedures. It is all to easy to underestimate what is involved in all that. Taxpayers will need to take no immediate action and most will have to do nothing extra. During 1989, the Revenue will take the initiative in contacting taxpayers when information is needed to help set up the new system and launch it smoothly. Since the change will not take effect until 1990, taxpayers and their advisers will have time to familiarise themselves with the new legislation before it is implemented.

The revenue cost of independent taxation is estimated at £500 million in 1990-91 and £1 billion the following year. The full-year Inland Revenue staff requirement to operate the new system once it is up and running will be of the order of 2,000 to 2,500. Those are substantial costs, but I make no apology for them because we believe that the policy is right in principle and demands the commitment that we have demonstrated that we are prepared to make. The bulk of the revenue cost arises from treating married women fairly for the first time as independent taxpayers and would arise under any form of independent taxation.

Clause 98 extends the principle of independent taxation to capital gains tax. April 1990 is the earliest possible date for introduction. Because of the aggregation of capital gains and income, it is impossible to bring forward the capital gains tax side by itself, and there might be some criticism from hon. Members if we did. But it is clearly right that, having had independent taxation on income, we should also have an independent allowance on capital gains, and if one accepts the principle of independent taxation for men and women, that principle should apply equally to capital gains tax.

These are far-reaching proposals, and I commend them to the Committee.

8 pm

Mr. Nicholas Brown (Newcastle upon Tyne, East): I hope that it will be helpful if I say at the outset that the Opposition will not divide the Committee on clause 31, but we shall divide on clause 98.

We do not wish to divide on clause 31 because it sets out the principle, not the detail and, as is fairly well-known, the Labour party is strongly committed to moving towards truly independent taxation. We favour creating a taxation system that treats married women as equals, not as dependants of their husbands. Married women are entitled, if they want it, to privacy in their financial affairs, and the resources that are available for redistribution through the taxation system should be distributed so that the poorest feel the benefit the most and first.

How typical of this Government and this Budget that even on an issue where there is no difference in principle between the two sides of the House, they have managed to ensure that the wealthy will benefit disproportionately from the changes. The Minister said that the proposals will help pensioners. So they will, but they will especially help pensioner couples with an income between them of £21,000.

One quarter of my electorate are over pensionable age, which is not untypical of many metropolitan constituencies. No doubt those who have incomes of £10,600 each will be grateful to the Government, but I did not meet many people with that sort of income during last week's

[Mr. Nicholas Brown]

local government election campaign. The 90 per cent. of pensioners will gain little out of the proposal—the poorest 90 per cent.—said what they thought of the Government. Pensioners who I met asked about housing benefit, not about income tax. Even those who stood to gain from income tax cuts were well aware that they could lose 85 per cent. of that in housing benefit reductions.

Disappointingly for the Government, no pensioner said to me on last week's election trail, "Mr. Brown, we have always been Labour but now that we have retired we thought that we would each take our £40,000 business expansion scheme tax relief through the Government's disaggregation proposals, so we feel obliged to vote Conservative." That was not being said on the doorsteps of Tyneside last week. Perhaps popular capitalism has not yet reached the streets of Walker, but it is much more likely that many people elsewhere, as well as in the north-east, do not have the money to take full advantage of the new opportunities. In Walker, that probably applies to Conservative voters, too—all 114 of them.

It is an interesting reflection on the way that the Budget has been received in different parts of the country that in 1974 the Conservative party controlled Newcastle city council. Yet today, out of 78 councillors, the Conservatives have only six and do not have complete control of a single ward. The defeated former councillor who led the Conservative group before the election summed it up thus: "We've been massacred. They voted against the Government." I do not know whether the Minister agrees with that analysis. I see him smiling, but I promise not to take his smile as an endorsement of that view.

The story is similar throughout the north-east. Those who have not benefited from the Budget are making their protests known. The reasons are straightforward. The main beneficiaries of the changes are the wealthy. About £77 million will go to 120,000 couples where the husband earns more than £30,000 per annum. What sort of targeting is that? How can it be fair to start tax reforms with concessions to the rich, leaving the poor?

The proposals are especially advantageous to couples who derive income from investments, because there is scope for transfer of assets, making maximum use of the separate allowance which is worth about £75 a week to non-pensioner couples who are in a position to take advantage of it.

The other principal objection to the Government's proposals is that the changes do not represent truly independent taxation. It does not matter how the Government try to dress up the issue for presentational purposes; the wife's position is still bound up with that of her husband. It is not just a question of nuance. As the Minister made clear, the intention of the proposals is that the married couple's allowance should go automatically to the husband. The wife will have no automatic right to any excess allowance. It will be for the husband to allocate. The transfer applies only if the husband gives written notice to say so. The Opposition will try to amend the Bill to remove that indefensible anomaly.

Interestingly, when the European Communities Select Committee in the other place considered its response to the memorandum from the Commission to the Council of Ministers on income taxation and the treatment of men and women, it concluded that the aim of equal treatment was best served by a system of fully independent taxation. It is not clear whether that is the Government's view, and today's proposals are the first step in that direction, or whether the Government will content themselves with the concessions that have been made to the better-off. The latter seems to be more in line with present Government policy.

Clause 98 provides for separate taxation for husband and wife for capital gains purposes. The important, if obvious, point to make is that one must pay capital gains tax before one can benefit from the changes, and fewer than one in 100 taxpayers pays capital gains tax. I do not wish to trespass on tomorrow's debate, but in the context of disaggregation, it is clear that substantial sums will be gained by married couples who, from 1990, can each use their capital gains tax allowances of £5,000. The Government are not arranging the allowances so that the change is neutral in terms of the public purse. Although the beneficiaries are reasonably wealthy, even from a Conservative point of view, there should be—there would have been in the days of the old Conservative party—a case for neutrality.

As my hon. Friend the Member for Dunfermline, East (Mr. Brown) said in the debate on clause 49, such decisions represent public expenditure that should more properly be focused on the Health Service, public sector housing, the social security system and the issues that matter to the many rather than to the already advantaged few. The Government have followed a twisted and rather shabby road to arrive at their present proposals. Impelled by social changes, outside even this Government's control, the Chancellor produced his famous Green Paper in 1986, cautiously advocating a partially transferable allowance. I have always suspected that the real thinking behind it was that the Government believed that it might reduce unemployment.

As it transpired, the Government made light of their Green Paper proposals in the 1987 general election campaign. They did not make light of the Labour party's proposals. They attacked the Labour party ruthlessly for supporting the principle for which the Minister is now trying to take credit. After the election, the Green Paper was put to one side and we were presented with something different—today's proposals.

The failure to provide a structure that is genuinely independent and the shameless further advantages given to the wealthy few make the proposals unacceptable to the Opposition and to many people, especially women, outside the House.

For those reasons, I urge the Committee to vote not against the principle in clause 31 but against the giveaway in clause 98.

Miss Ann Widdecombe (Maidstone): It is often said that jewels come in small packages. In this short clause, we have a long-awaited jewel. Despite the comments of the hon. Member for Newcastle upon Tyne, East (Mr. Brown) about women outside the House and how they would view the proposals, women have been waiting for this for a long time and I have heard nothing but praise from outside the House and within it.

This is not just an important financial measure for some couples; it is an important social measure. It is the correction of a social injustice that has been ignored by

Governments of all parties for far too long. I congratulate the Government on their courage in, despite the cost, finally putting right the injustice.

Clause 31 gives dignity and independence to a wife. There is no reason why a wife's income should be regarded as her husband's property when it is many years since we have regarded the wife herself as the husband's property. Furthermore, it recognises the role of the married woman as a person in her own right and it is long overdue. However, it is also just for the married man. Why should he be responsible for his wife's taxation and, particularly, for paying tax on his wife's income when that may exceed his own in these happily liberated days?

Mr. Nicholas Brown: I wholly agree with the tenor of the hon. Lady's speech, but why should the husband then be responsible for the allocation of the allowance?

Miss Widdecombe: I do not intend to address clause 32, because I am dealing strictly with clause 31. I have considerable sympathy with what the hon. Gentleman has said and have expressed that sympathy outside the Chamber. However, I am prepared to accept, pending a further consideration of the matter, that, if making that difference will delay the process by several years, I should prefer that we went ahead. However, I join the hon. Gentleman in hoping that this will be just the first step and not the final step and I hope that I have put his mind at rest. I shall keep to clause 31 because we can thrash out clause 32 in Committee. Clause 31 is social justice for both the man and the wife.

The hon. Gentleman made considerable play of the fact that the reforms benefit principally the better off. That may be so, but I need a great deal of convincing that the better-off woman is less entitled to her dignity and independence than the less well-off woman. Although the hon. Gentleman castigated the Government he did not come up with a system that would have allowed independent taxation for everybody and did not benefit the better off.

Mr. Nicholas Brown: I hope that I made it clear that it would have been possible for the Government to adopt a position of fiscal neutrality in dealing with unearned income. I hope that I gave the House the impression that I would have endorsed that approach.

Miss Widdecombe: Unearned income, whether it belongs to the wife or the husband, is still an independent source of income and should be treated in exactly the same way as we are now treating earned income. The hon. Gentleman mentioned targeting, whereby one can introduce independent taxation in such a way that one does not create some benefits for the better-off, while creating substantial benefits for the less well-off. I shall address that point later because it is crucial.

8.15 pm

Ms. Marjorie Mowlam (Redcar): Will the hon. Lady give way?

Miss Widdecombe: If the hon. Lady wishes to intervene on that point later, I shall be willing to give way to her then.

The elderly will benefit substantially from the measures. It is all very well to say that only the well-off elderly will benefit from the measures, but we are encouraging the elderly to be independent. We want to see our pensioners enjoy a reasonable standard of living. Surely it is not sensible to penalise them merely because they happen to be somewhat better off than other pensioners. If we introduce the measure and make incomes independent, it will benefit people across a wide range of incomes, but the largest benefit will be a social one.

I wish to deal with a benefit that has perhaps not been discussed so much. Let us take the case of a part-time working wife with a high-earning husband. There may be some difference between myself and Opposition Members about what constitutes high earning, but let us assume that the husband will pay a higher rate of tax if he adds on his wife's part-time earnings than he might if he had only his own earnings to take into account.

Under the present system of aggregation, even if the wife is earning only a modest part-time income, when it is aggregated with the husband's salary and taxed from £1 at the higher rate, the value to that couple of the wife's part-time income is severely reduced. In many cases, a husband and wife will conclude that it is simply not worth the wife's time to make the considerable effort to arrange to have the children looked after and to go out to work because the family will enjoy only a tiny proportion of what she receives.

That acts as a social disincentive to the working wife to have some financial independence. She may not wish to go out to work full time, despite the social pressures to do so. She may not wish to stay at home and bring up the family full time. She may want some independence and some income to call her own, yet there is a positive disincentive under the aggregation system. The new measure will benefit a certain type of wife who can work only part time and earn a modest wage and may not be well qualified. Once again, the clause remedies a considerable social injustice.

It is wrong that, as a society committed to the family, we should have tolerated for so long a situation that acts as a disincentive to marriage. However, one can well understand how two people, wishing to start a family, to take on responsibility for the expenses of that family, to provide that family with a home and to give their children the advantages that they want to give them, will say that, for financial reasons, it might be better not to marry. That decision is not taken just by very high earners. It is taken by those earning fairly modestly who reckon that, with an aggregation of incomes, perhaps in a couple of years' time, when their lot has improved, they will suddenly find themselves in the next tax bracket. The new proposal, together with the change in mortgage relief for unmarried couples, has acted as an incentive for marriage and is socially desirable.

The capital gains tax provisions are logical steps to take, but I understand why Opposition Members do not like them. If we are accepting independent taxation and if we are treating a wife's income as completely separate from the income of her husband, with the husband's income being completely separate from his wife's, we must be logical and look beyond the narrow range of earned income. If we do not, we shall create an anomaly whereby a woman is a person in her own right while she is earning but if she has any other income that becomes the property of her husband.

Any system of taxation that separates one set of income from another and allows only partial independence is perpetuating the injustices that women have suffered for

[Miss Widdecombe]

the past 180 years and which they would have continued to suffer but for the courage of my right hon. Friends the Chancellor and the Financial Secretary to the Treasury.

On social grounds, never mind the cost to the Treasury, we have before us a long overdue measure. If it offers a financial benefit for the better-off, it benefits also the less well-off. It provides social justice straight across the scale. We have no ethos that states that individuals are less entitled to social justice as a reflection of their circumstances.

Ms. Mowlam: The hon. Lady has talked about those who are financially better-off benefiting as opposed to the less well-off. As my hon. Friend the Member for Newcastle upon Tyne, East (Mr. Brown) said, we must consider tax changes in relation to national insurance contributions and benefit changes. If these factors are taken together, especially the benefit changes that are squeezing people with lower incomes, it is clear that many people are not benefiting. Many are faced with double jeopardy. That is why I disagreed with the hon. Lady's earlier comments.

The hon. Lady has spoken about the needs of women in part-time employment. Will she support my campaign to ask the Chancellor of the Exchequer to consider tax relief for workplace nurseries? If the Government are serious about getting women back to work, it is clear that that would be a positive step forwards.

Miss Widdecombe: The changes in benefit that the Government have introduced in a series of measures are geared to achieve the sort of targeting that the hon. Member for Newcastle upon Tyne, East said was desirable. That is gearing specifically to help those who are the least well off and who are least able to provide for themselves. The benefit changes, taken with the raising of benefit thresholds and the lowering of income tax rates, will certainly help those who are paying only the basic rate of tax. They will help also the many who have been taken out of the tax system. All these measures will benefit the less well off. I think that the Government have it right. I believe that their scale of social justice is right. It applies regardless of income.

Ms. Mowlam *rose*——

Miss Widdicombe: I shall respond to the second question raised by the hon. Member for Redcar (Ms. Mowlam) before she asks a third. I would not wish to do her the injustice of forgetting her second question. I regret that I cannot support the hon. Lady's campaign for tax relief on workplace nurseries. At first sight it might appear to be an entirely reasonable request. If an employer is providing a workplace nursery, he is providing a benefit. To grant tax relief on top of that is to introduce a double benefit.

I do not wish to reduce child care by calling it a perk, but it is a benefit provided by an employer. Unlike a company car or a uniform, for example, it is a benefit that is solely for the employee's comfort while at work. Unless an employer cannot recruit without providing that benefit, he is not gaining a benefit. The benefit lies with the employee. I cannot see the justice, social or otherwise, of allowing women who have access to workplace nurseries to have the benefit of tax relief while their companions, their sisters—other women—do not have access to that benefit and have to make their own arrangements through playgroups or whatever.

Although I honour the principle behind the hon. Lady's campaign, I find it inconsistent with justice for all women. It would benefit some disproportionately while being completely out of kilter with the tax system, which provides that tax is paid on a benefit and relief is not gained on it. I cannot support the hon. Lady's argument. Am I right in understanding that she has a third question?

Ms. Mowlam: I did not have a third question. I merely wish to give an example to contradict the first of the hon. Lady's arguments. There are specific examples in my constituency of pensioners who in 1990 will have their income tax reduced and who will lose housing benefit as a result. In the end, they will be worse off. There are concrete examples that contradict the claim that the system will work to the benefit of pensioners and people on benefit. The same will hold for many single parents with children. I can give examples of that at a later stage to prove that the hon. Lady's claims do not match reality.

Secondly, I do not believe that the hon. Lady's argument holds on tax relief in terms of workplace nurseries. Tax relief could be extended to other nursery facilities. My campaign is merely a foot in the door. The reality is that many women who want to work take on low-paid work, including part-time jobs. It is not equal pay for equal value. My proposal would be one way of easing the conditions that now prevail.

Miss Widdecombe: I am grateful to the hon. Lady for her third and fourth questions. I have no doubt that there will be a fifth and a sixth.

The hon. Lady is right when she says that women take on jobs that are low paid and then have difficulty in making the necessary nursery provision. But there are women in low-paid jobs who do not have any sort of nursery provision made available to them. The logic of the hon. Lady's position will soon be that everyone who works must have some provision made for the care of his or her children. I do not want to denigrate those who work and have a child. It is a major part of women's liberation this century that we have come to realise that that is a reasonable thing to do.

However, it is a decision of individual responsibility. The individual must decide. "Am I going to have a family? If I am, am I going to work? If I work, what will be the consequences? If I do not, what will the consequences be?" It is a matter of personal responsibility, and the state cannot pick up the tab for every individual's decision. If we are to encourage independence, independent decision-making and independent financial provision for women, they must have independent responsibility. They should not have a basic issue such as child care dealt with for them.

The hon. Member for Redcar claims that some pensioners will be worse off in 1990. I, too, have received representations on that subject. Pensioners who will be most worse off are those who already have capital assets to the fairly substantial tune of £8,000, or assets in a property in which neither they nor a dependant relative live. In those circumstances it cannot be said that we are hitting the least well-off pensioners. However, we are very much off the point. I do not know what this has to do with clause 31, which is directed to independent taxation for women.

Clause 31 is not merely a financial measure. It is one of the greatest pieces of social justice that we have seen in legislation for the past two decades.

Mr. Beith: The inclusion in the Finance Bill of the proposal for independent taxation for women is to be welcomed and is long overdue. I have criticised the Chancellor of the Exchequer for not taking the opportunities open to him in many areas because of considerable buoyant reveues, but he has taken the opportunity open to him in this area. However, I will argue that he might have acted slightly differently. It is right to place on record that he has done what women for many years believed should have been done.

It is perhaps right to call the proposals for women's taxation "social justice". However, if Conservative Members, like the hon. Member for Maidstone (Miss Widdecombe), claim the term "social justice", they should apply it rather more fully in the rest of the Budget than they have done so far. In almost all other respects, the Budget denies the most basic principles of social justice.

8.30 pm

The present system of the taxation of married couples cannot be defended. Its most obvious fault, which clause 31 will correct, is that it treats a married woman's income as if it were her husband's. It treats her discriminately, as if she were an unequal partner in the marriage. That would be ended by clause 31, and so it should be.

However, other problems arise from the present pratice involving women's taxation. The present married man's allowance is not only by its very title illustrative of a now challenged concept of equal partnership in marriage; it also represents a situation in which allowances go, in very large measure, to those who perhaps need them less than others. Primarily they go to two earner couples who represent less than one quarter of the population, but who receive 43 per cent. of the benefit of the allowances.

The Government's chosen solution has been to preserve the married man's allowance, but to change its name to a married couple's allowance. They have revealed that by the obvious fact that the allowance will still reside with the man until he takes the step voluntarily to transfer it to the woman. The Government have chosen to preserve the married man's allowance under a different name. That has the effect not merely of reducing the independence that should be given to the woman, thereby negating one of the main effects of the clause, but of preserving a form of benefit that is not particularly well targeted.

It is very difficult to argue that there should be a specific allowance for being a married couple. I believe that marriage is an excellent institution. I am strongly in favour of it and I have benefited greatly by being a party to it. However, I do not need specific tax allowances to induce me to join it. Conversely, I do not believe that the tax system should be rigged against marriage as it has been in a number of ways, not least in relation to mortgage tax relief, as the hon. Member for Maidstone explained.

There is little argument in logic or principle for a married man's or a married couple's allowance as such. The alternative solution for independent taxation would have been the ultimate abolition of the married man's allowance—or married couple's allowance, as it is to be known—with transitional protection and having two single non-transferable allowances. That would release resources that could be targeted on those most in need through cash benefit, particularly child benefit for those couples with children whose needs are greater. The Government should have taken that step.

If the Government are suggesting that using transitional provisions to protect the existing beneficiaries and allowing the effects of inflation over the years to complete the change is somehow an inappropriate way of proceeding, I remind them that that is what they are doing with the breadwinner wives. One of the anomalies of the present system is that where the wife earns but the husband does not, the couple receive 2·6 personal allowances—the married man's allowance plus the wife's allowance. However, that is not true the other way round. If the husband earns, but the wife does not, they receive only 1·6 personal allowances. That is illogical and not consistent with independent and equal treatment of married men and women. Clearly, breadwinner wives will lose through the 1990 changes.

Many wives are breadwinners because their husbands are unable to work, unemployed or disabled and there is obviously a case for transitional protection. The Government have granted that by effectively freezing the 2·6 personal allowances in cash terms until what is now the equivalent of that allowance becomes equal to the value of the married couple's allowance. The Government have built in a transitional protection of the kind that I have argued that they could introduce if they chose to abolish the married man's allowance. In other words, they have set a precedent for the procedure which I believe would be a better way to proceed towards independent taxation.

If independent taxation means anything, it must mean independent taxation of investment income as well as what is called earned income. That is one of the reasons why the change is expensive. It means that wealthy couples with considerable assets will be able to rearrange their affairs so as to derive a very considerable benefit. That leads me to ask why the Government have not taken some steps to create a forestalling provision to discourage or prevent people from simply rearranging assets to maximise benefits and transferring benefits between partners to benefit from the position.

The Government's answer is that it would be very complicated to make that provision. That is presumably why the official Opposition have not tabled an amendment to deal with the problem in that way. If it is not dealt with through the measures to prevent the transfer of investments from one partner to another, it appears that Labour Members are arguing about investment income —and certainly in relation to capital gains tax—and that they will have to vote against the whole proposal because of the benefit that it will confer on people who possess considerable assets. That is illogical. It is difficult to accept that, because some people will benefit a great deal, it is wrong to have independent taxation for investment income or capital gains tax.

Mr. Nicholas Brown: I hope that the hon. Gentleman is not implying that that is the official Opposition's view. It is not.

Mr. Beith: I distinguished between investment income and capital gains tax because what I have described appeared not to be the position in relation to investment income but appeared to be the case for capital gains tax

[Mr. Beith]

and therefore the reason why the official Opposition intend to vote against clause 98 involving the application of the same principle to capital gains tax.

Mr. Brown: I am grateful to the hon. Gentleman for giving way because I do not want there to be any misunderstanding about the official Opposition's attitude. If we are to support the principle of disaggregation, it must apply to earned and unearned income. The point that I made in an intervention earlier is that, were that to apply to unearned income, it should be applied in a fiscally neutral way. If it is done in any other way, it is, in effect, an item of public expenditure. We contend that where money can be put back into tax concessions, it should go to the poorest rather than to those who are significantly wealthier than average citizens.

Mr. Beith: That might be fiscally neutral but it is not neutral for the individuals concerned. It will mean treating parties to a marriage differently because they are married. It is a complete departure from the principle of independent taxation.

I understand why the Labour party wants to make that qualification and I understand the anxiety with which Labour Members viewed the investment income aspect. However, I am not willing to be dragged along that road. I do not accept that the proposals should not be accepted because they cannot be done in a fiscally neutral way. None of this can be achieved on a fiscally neutral basis. We have all accepted that the mere introduction of independent taxation in any form, for earned as well as unearned income, is not fiscally neutral. It costs money. The Chancellor happens to be able to afford to do some of these things in this Budget.

Obviously, Labour Members and Social and Liberal Democrats must judge this measure against others—for example, the way in which the Budget has piled benefits on the wealthy and penalties on those who are considerably disadvantaged. That makes this part of the Bill look particularly heavy and adds to the tilting of the Budget. The fact remains—*[Interruption.]* The hon. Member for Rhondda (Mr. Rogers) appears to want to make an intervention. I would have given way to him, because he appeared to be saying, sotto voce—although the hon. Gentleman's version of sotto voce would fill the Albert hall—that I was trying to have it both ways, to have the penny and the bun. He was suggesting that I was trying to take a neutral stance. Far from it. That is what the Labour party is trying to do. It is trying to say that it is in favour of independent taxation, but, because it will benefit some people in large measure, it will not apply the principle logically and fully.

Mr. Dafydd Wigley (Caernarfon): As to the hon. Gentleman's point about whether or not fiscal neutrality could be achieved, in the context of capital gains and the split that we now have proposed of £5,000 each for men and women, surely if that were reduced to £3,000 for each individual, in terms of the likely uptake it would have gone some way to meeting the hon. Gentleman's point. It would also have encouraged men to transfer resources to their wives if they were geared up to using in full their £6,000 relief.

Mr. Beith: That could possibly be considered. I am not sure whether the hon. Gentleman is arguing for a general reduction in the disallowed portion, or again, for a particular discrimination against married people. I do not understand how one can argue that allowances should be less for people simply because they are married.

I do not believe that marriage needs a large tax cushion; but I am against people being discriminated against because they are married and against people being invited to enter into a relationship other than marriage because that it is fiscally advantageous for them to do so. That is contrary to all the principles of independent taxation and public policy—which ought to be supportive of marriage. The Labour party is mistaken if it feels that it has to vote against such principles.

If the introduction of any element of independent taxation was difficult because the revenue to the Government was so small, that might be a different matter, but that is not the situation. The Government could have introduced fully fledged independent taxation by the route that I suggested—targeting more help on people receiving child benefit. I hope and believe that I have the support of Labour Members at least in respect of that issue.

The Government could have done many other things to make the Budget fairer, while still keeping within the revenue and resources available to them. The Opposition should not oppose the logical extension of independent taxation into the area of capital taxation. I shall argue later that there are other ways in which the capital taxation system could do more to distribute capital and achieve greater social justice. However, we should not attempt to do that by denying the principle of independent taxation.

Mr. Andrew Mitchell (Gedling): I am grateful for this opportunity to take part in the debate on clause 31, although I feel that I am in a sense guilty of tokenism before I even start, surrounded as I am—the only male Member on the Government Back Benches—by Tory ladies. Nevertheless, I shall press on.

The Government's decision to end the system of taxation which has blatantly discriminated against married women must be widely welcomed by almost everyone. Indeed, as a relatively new Member of the House, I am astonished that this testimonial to the values and customs of a by gone age has lasted so long. Perhaps within the House it has increasingly been seen as an intolerable measure, because a larger number of the younger male Members are married to professional women who pursue careers which in the past have more usually been associated with men. Whatever the reason, the Government are to be congratulated, not only on making the necessary reform, but on creating the economic strength and success required to allow such costly reforms to be implemented. It is a reform that will cost about £1 billion.

In preparing for the Committee stage of the Bill I found myself flicking through the Income Tax Act 1918, where-in I noticed that "an incapacitated person" means

"any infant, married woman, lunatic, idiot or insane person."

It is time our tax laws recognised that things have moved on and that the present archaic system has become a fiscal embarrassment.

8.45 pm

Some hon. Members have tonight criticised this reform on the grounds that it grants an extra tax advantage to be

enjoyed by all who are married, regardless of their income. I shall deal with that, but even if it were true—which it is not—I would still support the reform. It is right that society should recognise and support the institution of marriage through its financial and fiscal regulations. For far too long the dice have been loaded against those wishing to get married, and in favour of those wanting to cohabit. How often have we heard people getting married declare that they will be much worse off materially as a result, or making it clear that they "cannot afford" to get married? The Budget makes major progress in eradicating this injustice and supporting the structure of marriage itself.

Ms. Mowlam: I am listening carefully to the hon. Gentleman's arguments on marriage and the Bill. Can he explain why, in the Committee on the poll tax Bill, he supported joint and several liability for cohabitees?

Mr. Mitchell: The two are not anomalous, but it would probably be better, Mr. Walker, if I did not try your patience by going down that route and talking about the community charge.

Dame Elaine Kellett-Bowman (Lancaster): Many of my constituents find it obnoxious that two unmarried people living together can enjoy double mortgage relief, but that a married couple cannot. Does my hon. Friend agree that that is wholly wrong?

Mr. Mitchell: My hon. Friend has made an excellent point in her usual graceful and cogent manner.

Under the new arrangements stemming from this clause, it is not only well-off married couples who will benefit. The Treasury calculates that 75 per cent. of the 1990-91 cost will go to basic rate taxpayers or indeed to those who pay no tax at all. That is an important statistic. In particular, the position of thousands of elderly people will significantly improve. Under the new arrangements, that portion of the state pension which a man receives because he is married will be treated as if it was his wife's income. This will have a wholly welcome effect on the level of tax paid by old folk. According to the Inland Revenue, 900,000 women aged over 65 will benefit, and more than 1·5 million married women of all ages will pay less tax.

It is particularly interesting to note that of those 1·5 million women who will pay less tax, more than 1·2 million earn less than £5,000 per year.

Under the proposals, many elderly married women will, for the first time, have an age-related personal allowance, and 160,000 elderly couples will be taken out of tax entirely. In addition, as I understand the effect of that change, since a wife's income will no longer be added to her husband's for the purpose of applying the income limit for age allowance, approximately 130,000 elderly men on modest incomes will qualify for age allowance under the new system. I shall be grateful for my right hon. Friend's assurance on that point.

I am genuinely astonished that so little public attention has focused on the dramatic effect that this three-line clause will have on so many elderly and less well-off people. Quite apart from its effect on married women, 500,000 husbands will also pay less tax. It is clearly absolutely right also that those who are married and have savings should benefit from the provisions of the clause because of the independent taxation of investment income. If any Opposition Members believe that that will benefit only the rich, they are mistaken. The provision will be of great benefit to elderly people in particular, many of whom will now gain from the change. The system has hitherto penalised very low savings levels.

Because of the effects of Conservative policies of spreading ownership widely throughout society, and in particular of the right-to-buy provisions, we are becoming what one distinguished economic commentator writing in *The Independent* described as "a nation of inheritors." That is one principal reason, in my view, why it is no longer acceptable to separate taxation of earnings while treating all other income as though it belonged to a husband. Changes in the pattern of ownership and savings over the past few years have made that very clear.

As a result of this clause a number of new things will happen after 1990-91. Husbands and wives will be taxed independently on all their income. Married women will become taxpayers in their own right, giving them the privacy to which they are entitled and which is long overdue. A significant benefit will accrue to elderly married couples in larger personal and married allowances for package payers aged between 65 and 79 or those aged 80 and over. For the first time, elderly married women will qualify for age allowance in their own right.

Finally, the Government have given some modest but important support to the institution of marriage itself. This, too, will be widely welcomed, not only in this Committee, but in the country.

Mr. Wigley: First, let me welcome the change that the Government have made in the marriage allowance. I have written about it to successive Chancellors, Chief Secretaries and other Treasury officials, because I have had the invidious task of doing my wife's accounts for several years. It is bad enough doing the accounts of a professional musician a year or two behind schedule and in Welsh, but doing it in a way that balances her interests and mine in a fair manner is particularly difficult. I am therefore glad to support the change—for all the wrong reasons.

Mr. Morgan: Do not harp on about it.

Mr. Wigley: I assure the hon. Gentleman that I shall not.

I welcome the principle, and many of the details that accompany it. I realise that it is a far-reaching package. I cannot see, however, why the married man's allowance could not have been split 50:50, making it neutral initially, with any opting to be done from that base. The Minister shakes his head, but that would have been a practical starting point, which would have taken away some of the misgivings of those who in other respects welcome the change wholeheartedly, both here and outside the House. Nevertheless, perhaps it can be considered in the future. I also hope that the gamut of allowances will work in a neutral manner—socially neutral as well as neutral in their treatment of husbands and wives—to give us the most acceptable package.

I intervened a moment ago to make a point about capital gains. My point was that the Government are accepting a drop from £6,000 to £5,000, albeit £5,000 for each couple. I should have thought that, unless the drop is to £3,000 or £3,500, an immediate adjustment—as was hinted by the hon. Member for Berwick-upon-Tweed (Mr. Beith)—must be undertaken in people's finances to minimise that. Such an adjustment would be expensive for

[Mr. Wigley]

the Treasury, and the money given away—as Labour Front-Bench spokesman have suggested—could be used for other purposes.

The Government have been open to criticism on other parts of the Budget, and I felt that this move was unnecessary. I welcome the principle, but a limited number of people will benefit from the shared capital gains. Many pensioners have saved capital sums because they have no pension from employment, and for them this is a significant but limited benefit. I do not see why there could not have been a bigger giveaway.

I am not clear on one point, perhaps because I have not read enough of the detail of the Bill. We are told that the husband and wife will be assessed independently and be responsible for their own income tax. Am I to take it that there is to be a complete ending of joint and several liability for the payments? I am thinking particularly of circumstances in which one partner, or both, are self-employed, so that no pay-as-you-earn system is in operation. If one partner is not paying, the other may be taken to court. I should be more than happy to give way if the Minister wishes to intervene on that important point, but perhaps he would prefer to comment later. We must be clear on that matter if we are to have a workable package that is genuinely non-sexist.

We also need provision to ensure that there is no likelihood of a man or woman being charged when he or she may not know the partner's financial position and be landed with the bill. This could be a minefield, and I should be grateful for some clarification.

Miss Emma Nicholson (Torridge and Devon, West): I welcome clause 31, and I particularly welcome the gradual acceptance of its importance by the Opposition. I noticed, and remarked on it at the time of the Budget, that neither Opposition spokesman—there could conceivably have been an invisible third party as well—even bothered to comment on this extraordinarily large change. That was very upsetting, and I am delighted that Opposition hon. Ladies must have done considerable work between then and now to ensure that today's warm welcome was spontaneous, even if rather late in the day.

Mr. Chris Smith: Clearly, the hon. Lady either was not present in the House or has not read *Hansard's* account of the Budget debate on the Thursday evening. Speaking from the Opposition Front Bench, I gave a warm welcome to the principle of independent taxation, and spent a considerable time dealing in detail with the Government's proposals.

Miss Nicholson: I take the hon. Gentleman's point. I was referring to the first speakers from the Opposition Front Bench, who in their immediate response to the Budget did not even bother to pick up that point. I picked it up, and I am glad that the hon. Gentleman responded. However, I found it very distressing.

This is a remarkable and unique change. It will never happen again. It is extraordinary to think that married women in the United Kingdom have never really been treated fairly since the days of Julius Caesar. I say that not entirely jokingly. When Caesar wrote about what a grey and rainy island this was, he added that the British were an extraordinary race, because they treated their women in law on the same level as men. Alack, alas! Roman law then took over, and women have not seen the light of day until the present Conservative Government.

Mr. Wigley *rose*——

Miss Nicholson: It is different in Wales.

Mr. Wigley: The basis of that British law was the Welsh law which was coded by Hywel Dda. That gave equal status, and assets were distributed even-handedly. Some of us in Wales are looking to the day when we can reintroduce that system.

Miss Nicholson: In that case, let me say how sorry I am that civis Romana sum!

Hon. Members will recall the pre-eminence of city widows even in mediaeval days. They were the only women in the United Kingdom who were allowed to inherit and to deal. If unmarried, a woman was the belonging of her father; she did not exist in law. When she married, she was the belonging of her husband and certainly did not exist in economic law. If she did not marry and her father died, again she apparently did not exist in law. That explains why, in Chaucer's "Canterbury Tales" the Wife of Bath was such a popular lady; she had cash to play with. That is why, in Pepys's diaries, the city widows figure so largely in his dreams.

I do not raise those points entirely jokingly. Hon. Members who are gentlemen will not realise the degradation of begging for money. It is a beastly thing to have to do. So many married women over so many generations have been reduced to having to ask their husbands for small sums of money for housekeeping. That is a most degrading and beastly thing for married women to have to do. Real freedom is economic freedom. Freedom is just a word unless one has the money to buy.

9 pm

Ms. Mowlam: As usual, I agree with some of the hon. Lady's points. However, her statements are based on the premise that equality has been reached under the present Government, and that the historical examples which she gave have now changed. She knows as well as I do that women do not have equality at work, in education, in the professions or in the Civil Service—as we heard this afternoon—or on the streets at night. We do not have equality, and we should get away from the sham and the facade that the hon. Lady is putting forward, as it clearly is not true.

Miss Nicholson: I am grateful to the hon. Lady for her intervention. I am very aware of that problem and I shall move on to it in a moment.

Mr. Allan Rogers (Rhondda): I wonder whether the hon. Lady's feelings about women extend to the unemployed in the same way.

Miss Nicholson: May I remind the hon. Gentleman that a lot of women are unemployed? However, I do not think that clause 31 deals with unemployment. Although it is tempting to go down that path, I shall not allow myself to be tempted by the hon. Gentleman at the moment.

May I remind hon. Gentlemen that, as hon. Ladies already know, the problems of identity for women are not yet over. It is not always easy for a woman to be recognised on the same level as a man in any walk of life. Indeed, last week I received a letter from the Prime Minister's Office

addressed to "Emma Nicholson Esq MP". The week before, when I was at Lancaster house, I asked an attendant where I could wait out of the rain while my husband parked the car. He replied, "I should wait for your husband over there if I were you, sir." I did not realise that entering the House of Commons gave one size 14 feet and made one grow a moustache. But I say most seriously that it is very difficult for women to be treated in a professional and proper manner, even in this hallowed place.

I welcome most strongly the Minister's tremendous step forward for womankind in giving married women a genuine identity in fiscal matters. The women of the Conservative party have long been seeking that identity. As far back as 1979, a report from the Conservative women's national committee urged the incoming Government—we knew that we would win—to establish independent taxation for married women. It said that all the difficulties that I have mentioned and that have been stated by other right hon. and hon. Members were true, and urged the Government to do something about it.

It was to the credit of the Conservative Government that despite all the talk from previous Labour Governments, and despite the tremendous Socialist ideal to favour married women as equals—I do not think that it is very good of them to favour married women as equals; the Labour party should treat married women as equals perhaps in organisations such as the Trades Union Congress which has very few women on its platform—the Conservative Government have taken up the challenge, and I cannot say how glad I am that they have done so.

When I was Conservative party vice-chairman with special responsibility for women, I launched a survey in response to the Chancellor of the Exchequer's proposals in the previous Budget for the transferable personal allowance. My postbag was massive. Hundreds of letters poured in from women of all parties, saying how enormously unhappy they were with the present system and how much they wanted it changed. I sent out the survey to 50,000 women. It was published in *The Sunday Times* which considered the transformation of taxation for married women to be important. It was also published by an entirely different style of publication—*Cosmopolitan*, which appeals to much younger, single working women —and in a number of other papers, particular *Conservative Newsline*.

There was a massive response—98 per cent. of all women questioned said that the tax system had to be changed, and 78 per cent. favoured personal transferable allowances which did not see the light of day because it was not possible to get a consensus among women in the United Kingdom. I was very sorry about that because I recognised the comments that my right hon. and hon. Friends made earlier on the importance of not discriminating against marriage. I believe that the state should be non-judgmental when it looks at the lives of its citizens, and that it should not be the Ayatollah Khomeini telling us that we should be swathed in black or living in any particular way. If the state is to be non-discriminatory, it should not discriminate against marriage. It is enormously unfair that in recent years the state has discriminated against married people.

I favoured the personal transferable allowance, which would have helped the non-working married woman. Far be it from me to try to guide women back to the sink. Let us have freedom of choice to go out to work or to stay at home, but real freedom is economic freedom. It is very difficult for the married, non-working woman to be truly free. The personal transferable allowance would have been of immense help. However, there is now the important principle, which I hope will soon be enshrined in law, that for tax purposes women are to be treated independently. It is a remarkable move forward. Nevertheless, I ask my right hon. Friend the Minister to consider most carefully the married person's allowance. I cannot accept that in perpetuity the married person's allowance should go as of right immediately to the man.

The Chairman: Order. That matter is dealt with elsewhere in the Bill. I do not think that we ought to trespass on the responsibilities of another Committee.

Miss Nicholson: I apologise, but this matter has been debated——

The Chairman: Order. We are debating clauses 31 and 98. Personal allowances are covered by clause 32. That is not a matter for a Committee of the whole House.

Miss Nicholson: The matter was discussed extensively by other hon. Members and that is why I have referred to it, but in view of your ruling, Mr. Walker, I shall not trespass on clause 32. However, I believe that it would be right and proper for my right hon. Friend the Minister to consider that point and, if I am allowed to trespass for a moment longer, to accept it in principle, even if it is too expensive now to put it right. The principle ought to be accepted that the married person's allowance should go to the highest earner.

Once again, I thank the Government, Treasury Ministers and my right hon. Friend the Chancellor of the Exchequer for responding to the needs of women by at last giving them equal treatment.

Ms. Joyce Quin (Gateshead, East): All hon. Members agree that there should be independent taxation. I support also the right of privacy in tax matters for women. However, the Opposition have two major criticisms of the Government's proposals. First, the proposals are half-baked. They do not provide true, independent taxation; they provide a mixture of independent and joint taxation. Secondly, these measures, like so many other Government measures, will help wealthy couples but they will provide limited help to families at the bottom end of the income scale.

The half-baked nature of the measures is referred to in the report on the Budget that was published by the Treasury and Civil Service Select Committee. One of the Committee's advisers described the reform as more cautious than had been expected and said:

> "It effectively retains the married allowance, thus favouring households of two married people over those of two single people. It provides for the married couple's allowance to be transferred from husband to wife, but favours the husband by awarding it to him in the first instance."

The hon. Member for Maidstone (Miss Widdecombe) said that she hoped that the measure would be a step on the road towards full independent taxation, but in evidence to the Treasury and Civil Service Select Committee, the Chancellor of the Exchequer, answering a question that I put to him about whether 1990 was a staging post, said:

> "No, I see 1990 as a satisfactory solution to the problem."

That seems to show that the partial nature of the reform is likely to be with us for some time.

[Ms. Joyce Quin]

Apparently, a full move to independent taxation was ruled out because it was considered too complicated and would have involved a large increase in staff dealing with taxation matters. Further, it was considered to be too expensive, although no details were given to the Treasury and Civil Service Select Committee about how much would be involved. Suspicion remained that the Government had gone only halfway because it would have cost too much to have a truly equitable system. Even if it was too expensive, I do not understand why the Government could not have given a long-term commitment to completely independent taxation. Perhaps the Minister will make such a commitment tonight.

There is still a great deal of confusion about whether married people will be treated as individuals or as a household with their incomes being added together. Mortgage tax relief has been mentioned, but there are many other examples that show that confusion exists. Perhaps an independent commission is needed to sort out the position and to ensure that in future a completely coherent, logical approach is applied to the taxation of married couples and to the law relating to matrimonial property.

In the short term, it does not appear that such a position will be reached. Regrettably, we now have a halfway house, which is not something that we favour in the long term.

Miss Widdecombe: Despite the hon. Lady's comments about a halfway house on the equality of the taxation system between single and married households, does she agree that at a stroke the changes have provided a satisfactory solution to the problem of subordination of women within marriage? By taking on board earned as well as unearned income they ensured that financially there is no room for the subjugation of women within marriage.

Ms. Quin: I agree that they were an important step but I do not think that they are a solution to the problem. I hope that the hon. Lady will try to persuade the Chancellor of the Exchequer to regard 1990 not as a solution but as a staging post.

My second criticism is that the measures that the Government have taken on the taxation of married couples, allied to the other Budget measures, simply disproportionately help already wealthy couples, whereas those on low incomes will see little advantage.

Whatever attitude is taken to the indexation of capital and investment income, it will benefit wealthier couples more than those at the bottom of the income scale. There is a great deal of worry that a Government who said that they wanted to tackle some of the tax breaks in the system will be encouraging wealthy couples to minimise tax liability by transferring assets between themselves. I do not know whether the Government are considering extra anti-avoidance measures to ensure that that does not happen, but if they are not they should be.

I would have been happier about the steps that the Government are taking in the direction of independent taxation if they had been part of the Budget that sought to redress the growing gap between rich and poor—for example, if those measures had been allied to measures such as an increase in child benefit, which, given the revenues at the Government's disposal, could easily have been done. Child benefit could have been doubled for the cost of the special allowance for married couples. Unfortunately, the reforms take place against a background of reduced housing benefit and the social security changes which have created great hardship. Moreover, maternity benefits were reduced last year. That affects families on low incomes in particular.

A truly independent taxation regime can bring great benefits, but unless it is accompanied by measures that help couples and families on low incomes, the benefits of independent taxation will not be widely felt and its effects will be selective. We need additional measures to bring much-needed financial relief to families and couples who are the worst off in the land.

9.15 pm

Ms. Mowlam: I hope that it will be in order for me to pick up two points that were made earlier and which are important to this debate.

The hon. Members for Maidstone (Miss Widdecombe), and for Torridge and Devon, West (Miss Nicholson) talked about independence for women. We were told that independence is related to economic freedom and that it is important for pensioners to be independent. I do not see how they can argue that line when television licences and electricity prices are going up. We cannot speak of independence for women or pensioners because their economic freedom is not taken into account. We are told that about 900,000 pensioners will benefit from the proposed changes, but there are 11 million pensioners. That means that 10 million will not benefit. Without some form of economic freedom, the only freedom that those people have is the freedom to sit in front of an electric fire with one bar on and to decide whether they can afford to watch telly tonight. That is not the independence to which hon. Members are referring.

Conservative Members have accused us of not being logical. It is therefore incumbent on the Government, if they maintain that this is a reform and that it does not discriminate against the institution of marriage—that is fine, if it is non-discriminatory—to be logical about poll tax. If joint and several liability affects marriage and cohabitees, I should like it transferred to this Bill.

The Minister referred often to "hon. Gentlemen", which seemed to be a psychological slip. He said that he is sweeping away anachronisms that date from 1805. I consider that to be an overstatement, to put it delicately. On Second Reading, I described the reform as a fraud and a sham, and I do not retract that statement in so far as it relates to the majority of women. This is a breakthrough —I accept what has been said, primarily by hon. Ladies, about that—but to go into hyperbole is to go too far.

Miss Emma Nicholson: Does the hon. Lady agree that, with the coming computerisation of the income tax system, if we had not made the programming change now there would have been a major problem? This is therefore an honest breakthrough to identify women as tax units. If we do not do that, women will for ever be invisible to the system.

Ms. Mowlam: It is not a question of satisfaction for computers and the tax system. Nor was that the commitment that the Chancellor led us to believe underlay his views when he introduced the change. If it was a case of making things easy for computers, those papers which

described the Chancellor as a feminist ought to withdraw and describe him instead as a technocrat, for his interest is in computers rather than women.

My point is that this reform—which is a step forward—benefits some women but not the majority. In fact, the majority of women will see no change. They will notice no difference when the change is introduced in 1990. Let us look at the argument that has been advanced by Conservative Members as to why the change will be an advantage. They said it is an advantage for married women because it means they can make their own tax returns and get their own tax rebates on earned and unearned income. Therefore, it gives some legal independence and financial privacy.

At first glance, I accept that as a plus for many women. When we debated that on Second Reading, the hon. Member for Torridge and Devon, West also accepted that that was a plus. However, we have to look at how the married couple's allowance will work. The husband will be able to transfer any part of the unused portion of the married couple's allowance to his wife. To do so will involve paperwork and exchange of information and take away the supposed privacy and independence that will have been given to women by the introduction of the reform. As my hon. Friend the Member for Newcastle upon Tyne, East (Mr. Brown) said, it can only be transferred to a woman in writing. Is that an indication of equality? Is that an indication of the sort of change in the position of women that we hoped for? It means that it is not an automatic right for women. That has to be borne in mind.

Miss Nicholson: Will the hon. Lady admit that it is a significant step to give both the woman and man in marriage an individual personal allowance? I thank the hon. Lady for referring to my constituency correctly. It is often turned back to front. The clotted cream on the top of the cake is the oddity, the married person's allowance, which many of us would like to see handled in the same equal manner as the joint single person's allowances will now be handled. It is the establishment of the single person's allowance for the married woman that is the technical, practical and freedom breakthrough.

Ms. Mowlam: To continue the hon. Lady's analogy, the clotted cream has seeped so far down that the married couple's allowance has made the whole thing a stodge—and so unrealistic that the position of women is not necessarily improved.

I accept the hon. Lady's first statement, that it is a step in the right direction. However, because of the way in which the married couple's allowance will work, it takes that independence from women. For any unused portion to be transferred from the man to the woman, the woman will have to talk about her income. Therefore, all this talk about financial independence and privacy at last is not the case. It is not an automatic right and we must acknowledge that.

Miss Nicholson: Does the hon. Lady agree that the privacy element is brought in by the independent taxation, particularly of savings and investments? Does she also agree that the cry that it is only the rich who will benefit totally disregards the many thousands of women who have small savings, which at the moment are taxed at their husband's income level? The aggregation of the married people's income is the real abomination and setting those two things apart gives real privacy to many thousands of women.

Ms. Mowlam: I accept part of what the hon. Lady has said. However, as I said before, it is not an automatic right. The husband can go ahead, plan his investments and take part in the BES shares that we heard about earlier. The wife cannot do that without some reference to the couple together. I am not willing to go as far as the hon. Lady in saying that it is a monumental change. I accept that it is a positive step in the right direction, but we should not kid ourselves that the hyperbole that we heard from the Minister is the reality.

Miss Widdecombe: Can we please define the concept of automatic right?

Ms. Mowlam: Yes.

Miss Widdecombe: I thank the hon. Lady for her agreement. We all have rights. Women have a right to work. Some women may find that, because of their personal circumstances, they cannot exercise that right. We all have a right to vote. Some women may decide that they will not use that right or find, through slip-ups, that it has been taken from them. We all have a right to marry. Some women will not choose to exercise that option. We have a right to independent taxation. If we decide to exercise the transfer option and, in doing so, lose a little privacy, that does not affect the basic right to independent taxation if we choose to exercise it. Will the hon. Lady concede that this is a major piece of social legislation giving us basic rights?

Ms. Mowlam: I wish that the hon. Lady would notice the distinction which I make. I acknowledge that this is a positive step forward. I have not denied that, either on Second Reading or in Committee. I am fighting this corner because I do not want the fantasy which we have heard from the Financial Secretary portrayed as reality. The hon. Lady says that distinguishing between independent taxation and the married couple's allowance does not change the reality, but it does change it because the allowance is given to the man.

If the allowance were given to either partner, as the Equal Opportunities Commission asked, the EOC and I—and I am sure the Members for Torridge and Devon, West and for Maidstone—would be happier, but it was not. It is not an automatic right. It does not give equality. That cannot be ignored. I should like to continue this discussion, but I am afraid that you, Mr. Walker, will not allow it.

The Chairman: Order. I think that we have heard far too much. I remind the Committee that we are dealing with clauses 31 and 98. Clause 98 deals entirely with capital gains tax. Clause 31 states:

> "Section 279 of the Taxes Act 1988 (which treats the income of a woman living with her husband as his income for income tax purposes) shall not have effect for the year 1990-91 or any subsequent year of assessment."

I find it difficult to understand what that has to do with allowances. I draw the Committee's attention to the fact that these allowances are covered elsewhere in the Bill. They will be dealt with by another Committee, and this Committee should not trespass upon those considerations.

Ms. Mowlam: Thank you for that guidance, Mr. Walker. I was merely responding to points raised by Conservative Members.

I should like to take the exact point that you made, Mr. Walker, and refer to the nature of the married couple's allowance. As the hon. Member for Maidstone will have to acknowledge, this is another point that does not result in equality between men and women. The wife starts paying taxes above earnings of £2,600 while the man starts at earnings above £4,900. Because of the allowance, the amount that the man gets in his pay packet will vary between £7 a week and £41 a week, depending on his wage. Again, there is a clear differential which benefits the man. That is the effect of the clause. One cannot begin to argue that it treats men and women equally.

I acknowledge that the clause benefits retired people, many of whom are women. As the hon. Member for Gedling (Mr. Mitchell) said, we are talking about 900,000 people. There are 11 million retired people. A small minority, knocking on 1 million, will benefit, but 10 million pensioners will not necessarily gain from this legislation, as my hon. Friend the Member for Newcastle upon Tyne, East pointed out.

I am pleased that certain people with investments will benefit, and I do not want to penalise them. We should be clear that those who will benefit are not pensioners as a whole, but a small group. Many of those pensioners will be further penalised by the social security legislation. Unless we look at that jigsaw as a whole, we cannot see the total impact of the Bill.

I shall draw my remarks to a close. As I said on Second Reading, this clause is a fraud and a sham. I acknowledge that it is a step forward.

Miss Emma Nicholson: Does the hon. Lady agree that the principle of independent taxation is being established for the very first time in this Finance Bill?

9.30 pm

Ms. Mowlam: I shall be pleased when the principle manifests itself in reality. The hon. Member for Maidstone talked a great deal about principle—about independence and choice—but unless that principle is backed by economic independence and economic freedom it is meaningless. Let us agree the principle—it is easy and cheap to agree principles—but let us also ensure that the reality, the practice and the process accord with it. Under the Bill, that will not necessarily happen. If we are honest with each other, we must acknowledge that the provisions abolish the married man's allowance only to introduce it under another name.

The hon. Member for Torridge and Devon, West asked me how the povisions will benefit some people more than others. Many Conservative Members have doubted that assertion. Let me give two examples to support my case. A couple with investments of £10,000 will save an additional £41 a week when the provision is introduced in 1990. A single mother, with two children under the age of 11, will lose £11·69 per week overall under the Bill. Her £1·23 tax cut will not make up for the loss of child benefit and housing benefit, despite increases in family credit. Overall, she will be worse off as a direct result of the changes. We must take both those examples into account if we are to understand the exact meaning of the Bill. I acknowledge that the clause is a step in the right direction, but do not let us listen any more to Conservative Members' hyperbole.

Mr. Morgan: We are discussing the abolition of disaggregation in clause 31 and the parallel provision for equality of treatment of men and women for capital gains purposes in clause 98. So far, two aspects of the matter have not been covered. First, we have not dealt with targeting. Secondly, we have not yet said that when Chancellors introduce provisions intended to benefit a major social group—in this case women—they should ask the members of that group what they regard as their priority.

Last month the Government introduced social security and housing benefit changes, which caused them great difficulties. Those changes were based on the principle, enunciated several thousand times by Conservative Members, that they gave help where it was most needed. It was argued that if public expenditure was to be reorganised we should target assistance to those who needed it most, in circumstances where they needed it most. There is complete dissonance between that principle, enunciated in our debates on the social security and housing benefit changes, and the provision that we are debating.

The Chancellor is attempting to make his mark. He wants to appear in the history books and make his mark in the footnotes. Perhaps it will be among the Chancellors whose political ambitions were terminated by the Brian Walden interview with the Prime Minister at the weekend. If he can do nothing else and rise no further in the political hierarchy, he wants it said of him that he introduced independent and equal taxation for women which had not been in operation since the time of Julius Caesar.

How can the provision, which is completely untargeted, be squared with the housing benefit and social security changes that were introduced last month? We all know from our constituency surgeries and mailbags that independent and equal taxation is not one of women's main priorities. It may be one of the Chancellor's main priorities in his attempts to gain a place in the history books, but it is not what women want. Had women been asked, "What are your main priorities?", I am sure that they would have presented independent and equal taxation as a long-term aim—there is no question but that it is needed—but they would have argued that far more important things needed to be done if there was public money to be spent.

Miss Emma Nicholson: The hon. Gentleman, because he is not a woman, perhaps fails to realise how deeply this issue has troubled married and unmarried women for so long, as the postbags of the Treasury and of people such as myself have shown.

The *Sunday Times* reporter was appalled at what came out of the questionnaire that was printed. This has been one of the foremost priorities for women, because it is of crucial importance.

Mr. Morgan: I am sure that the hon. Lady is correct in saying that women cannot abide injustice as between themselves and men. We all appreciate that very strongly. In considering what women would most want from this year's Budget, however, my surgery experience and my mailbag suggest that there is more concern about what has happened to widows' pensions, for example. A 42-year-old

widow bringing up a daughter has written to me to say that she will lose £56·80 per week when her daughter leaves full-time education this summer. This widow is in part-time work, but she simply does not know what she will do. The need to increase child benefit has already been stressed, as has the impact of poll tax on women through joint and several liability.

Miss Nicholson: Without wishing to be discourteous, I suggest that the hon. Gentleman's constituents who are women do not ask him to do anything about women and tax because the Labour Government failed so significantly to do anything whatever about the problem.

Mr. Morgan: In my closing remarks—I trust that the hon. Lady will be able to restrain herself and not intervene again—I wish to refer to the unequal treatment of people who have saved to provide for old age, compared with those who have small occupational pensions. The situation has been made far worse by the changes in housing benefit. It is women, particularly, who miss out on company pensions or small occupational pensions from the Post Office, British Rail or whatever, if they have a career break to bring up children and thus tend to depend on savings rather than on a pension. They are far worse off as a result of the Government's changes in housing benefit.

Had women been asked in what ways they would like additional public expenditure to be made available to them, equality would have been put down as a long-term goal, but my correspondence and surgery experience suggest that they would have given far higher priority to other areas such as child benefit in terms of what should be achieved by this year's Budget. The Chancellor has made no attempt to consult women about what they actually want.

Mr. Chris Smith: The Opposition have no quarrel with the principle of clause 31 and independent taxation for a man and his wife. We warmly welcome the principle of disaggregation. That is why I shall advise my right hon. and hon. Friends to accept clause 31. We have doubts about clause 98. They have been aired in the debate and I shall return to them later.

As we stated in the election campaign, we believe that it is offensive that a wife should be regarded for taxation purposes effectively as a chattel of her husband and we warmly welcome the removal of that principle from our income tax system.

The present system is not just offensive—it is a muddle and a mess, as the Institute for Fiscal Studies clearly identified when it said that the system was

"a mess. It provides an incentive to some to marry and a deterrent to others. For some purposes it presumes that the wife is wholly dependent on her husband, while for other purposes it rests on a presumption that husband and wife form an economic unit."

With a system that deals in such different ways with the same couple in the same marriage it is clearly a benefit to try to sort out the anomalies.

The report from the Institute for Fiscal Studies also reveals some of the problems that the Government are setting for themselves and for married couples with their intended replacement of the present system. That is where our principal concern lies.

My hon. Friend the Members for Gateshead, East (Ms. Quin) and for Redcar (Ms. Mowlam) said that we do not believe that the system after 1990 will give true independence to married women. It will not do that, especially because of the institution of the married couple's allowance—the married man's allowance by another name—which will go in the first instance to the man; only on his decision and in limited circumstances will it be transferable to the woman. That is not true independence. It is certainly not true independence and economic freedom for women. That is our principal objection to the structure with which the Government wish to replace the present system.

We wish that the Government had listened to the hon. Member for Torridge and Devon, West (Miss Nicholson) who, on 31 March, joined the Equal Opportunities Commission in seeking to allow husbands and wives to choose who should have the allowance. We agree entirely with that principle and we hope to pursue it in greater detail in Committee. We believe that the administrative difficulties that the Government say would attend such a principle can be overcome and are worth overcoming.

The Opposition's second anxiety is that the Government's proposals will not replace a judgmental system with a non-judgmental system. The hon. Member for Torridge and Devon, West said that the Government are removing discrimination against marriage. To some extent they are, but they are replacing it with a system that will discriminate in favour of marriage. That is not non-judgmental. It may be something which the Government wish to enshrine as part of public policy. The Chancellor likes the idea of marriage—he has had two of them. We should be clear that the Government intend to create a system that will discriminate in favour of marriage.

Our third principal objection to the proposals is that they will benefit primarily the better-off. The inclusion of unearned income within the allowance system and the principle of disaggregation will benefit people with large unearned incomes. Of course many pensioners will benefit, but, as some of my hon. Friends said, many more pensioners will not benefit at all. A group that will benefit is married couples who currently make the wife's earnings election. The disaggregation principle will be achieved without the loss of the married man's allowance, which is lost at present. People who elect for the wife's earnings system are overwhelmingly those in the high joint earnings bracket.

Another group that will benefit especially is married couples where the wife has earned or unearned income in excess of the personal allowance and where aggregation of that income with the husband's income would push the couple into a higher rate band. Disaggregation would push them back into the lower rate band and they would benefit considerably from the Government's proposals.

The principal beneficiaries of the Government's new scheme will be people on more than average incomes. A small group of women may lose under the Government's proposals and will require transitional protection. That group comprises wives who are the main breadwinners in the household. The example frequently quoted in this respect is that of an unemployed steelworker whose wife is a teacher. Those women may well lose as a result of the Government's proposals, unless transitional protection is afforded.

9.45 pm

One other anomaly will result. It has been little noticed, but it is worth referring to briefly. The Government's new system will almost certainly encourage the removal of a considerable amount of savings funds from building

[Mr. Chris Smith]

society accounts. We should perhaps ask the Government whether the building society movement has been consulted about their proposals. When the husband is a basic rate taxpayer, there is at present no disadvantage in his non-working wife placing her savings in a building society account. However, when she can use her own tax allowance, it would be a waste to leave funds in an account from which tax is deducted at source.

It would be prudent, therefore, in such circumstances, for the wife to remove her funds from the building society account and to opt for either National Savings or perhaps an offshore account paying gross interest. In those circumstances, building society accounts are likely to suffer and I hope that the Government have had discussions with the building society movement about the effect of the proposed changes.

There are a number of problems with the Government's proposed scheme. We have no quarrel with their desire to scrap the present system. They could have gone much further. They could have done something sensible about child benefit and put it up to a decent level, as we have been arguing for many years. They could have tackled the absurd measure that treats the provision of workplace nursery places as a taxable benefit, as we have been arguing for over many years. Both those measures would have greatly benefited the position of women within the tax and benefit system.

The Government have not taken that route. They have taken the route of disaggregation, but they have enshrined in it the continuing sexist principle that the married couple's allowance goes, in the first instance, to the man. Although we thoroughly endorse the principle, we note that the gains will be made primarily by people who are better off, especially under the provisions of clause 98.

The hon. Member for Berwick-upon Tweed (Mr. Beith) said that the Labour party claims to be in favour of independent taxation, but that it is not in favour of independent taxation of capital gains. If the Government removed the £5,000 exemption allowance from capital gains tax, we would be entirely and immediately in favour of independent taxation of capital gains. However, because that £5,000 exemption allowance will remain for both the husband and the wife and because the inclusion of that additional allowance is not the best use of taxpayers' money, we shall vote against clause 98.

We endorse the principle, but the Government's practice does not match up to their declared intentions. We urge the Government to go much further along the road to true independence.

Mr. Norman Lamont: I am grateful to the hon. Member for Islington, South and Finsbury (Mr. Smith) for saying that the Labour party welcomes the principle of disaggregation. This has been an interesting debate, and even the hon. Member for Redcar (Ms. Mowlam) managed to describe the Government's proposals as a step forward. The fact that she said that was in itself a step forward. If the hon Lady will up her rhetoric in favour of the proposals, I shall downplay my rhetoric in favour of them. Perhaps we shall then find common ground.

Ms. Mowlam: If the Minister reads the report of the Second Reading debate he will find that I made exactly the same statement on that occasion. I shall adjust my rhetoric when he ups the degree of honesty that is to be found in the Budget proposals on what is actually happening to women.

Mr. Lamont: That was not, as I recall, how the hon. Lady seemed to present her opinion at the time of the Budget statement debates. However, I welcome her position in any event.

The hon. Member for Islington, South and Finsbury asked about the building societies and described the effect of receiving interest that is paid net of tax. We shall have time to discuss the issue fully with the building societies in the run up to 1990. We do not expect the flows that will occur as a result of these measures to be in any way large when compared with the flows that we see taking place all the time.

The hon. Member for Caernarfon (Mr. Wigley) asked about joint and several liability in terms of taxation. He referred especially to a husband and wife working together in partnership. Where a husband and wife are in partnership, there will be a joint and several liability, but that is no different from the position of any two people who are in partnership. The arrangement will be no different from any other couple working together in that way.

Mr. Wigley: I was talking about a husband and wife, one or other or both of whom may be self-employed—not necessarily in a partnership together—with incomes that lead to the payment of income tax. I wanted to know whether in those circumstances there would be joint and several liability.

Mr. Lamont: If separately employed in different businesses, there is no joint and several liability. If a husband and wife are in a partnership, which I thought I heard the hon. Gentleman say, there will be a joint and several liability.

Joint and several liability applies to the community charge because the safety net covering liability to pay the charge for poorer households is linked to the support that is provided by the social security system. That system must necessarily take into account a household's combined resources.

Some hon. Members have suggested that the proposals do not affect a significant number. In fact, they do. Over 2 million will benefit, of whom 1·6 million will be married women. About 500,000 will be husbands.

The hon. Member for Newcastle upon Tyne, East (Mr. Brown), from the Opposition Front Bench, said that the Labour party favoured independent taxation. I think that he sought to give the impression that the aspiration and the aim were very much the same as the Government's. There is one crucial difference, however, and that emerged during the general election when the Labour party tried to keep a little quiet about its intention to abolish the married man's allowance. We are now talking about the married couple's allowance.

If the Labour party is in favour of getting rid of the married couple's allowance—a move that we are emphatically against—the cost will be about £7·16 per week to the basic rate taxpayer. It is the married couple's allowance that will keep 1 million people out of tax. About 12 million couples would lose if the proposals that appeared to be being advanced by the Labour party during the election were to be implemented.

Mr. Nicholas Brown: I thought that I was measured and careful in what I said. It is rather naughty of the Minister to attribute remarks to me that I did not make.

Mr. Lamont: The hon. Gentleman is quite right. He is always measured. I would never try to represent him otherwise. However, I received the impression that there is a desire to phase out the married couple's allowance, and I merely made clear the consequences.

The hon. Member for Berwick-upon-Tweed (Mr. Beith) was not ambiguous about that in any way. He made an interesting speech and advocated that the married couple's allowance should be frozen in cash terms. He said that the same principle applying to the breadwinner wives should be applied to the married couple's allowance. With respect, I do not believe that the breadwinner wives' position is analogous. It is anomalous that two and a half times the single person's allowance should apply to breadwinner wives.

We believe that although, as the hon. Member for Berwick-upon-Tweed said, there may be some special circumstances, there are many one-earner couples and we cannot make a case for such a couple receiving two and a half times a single person's allowance. We believe that the married couple's allowance, which has been a feature of the tax system in one form or another, should be preserved. Even if it was preserved in cash terms, what the hon. Member for Berwick-upon-Tweed advocated would involve a gradual reduction in real terms.

Opposition Members tried to portray the measures as designed to benefit the wealthy. They seem to think that there is some way in which independent taxation can be introduced which will be of no benefit to the wealthy. An inevitable consequence of introducing independent taxation in any form is that it will involve some substantial gains for people with large incomes. However, Opposition Members should not misrepresent the fact that our changes will bring very substantial benefits to many people, and three quarters of the costs of independent taxation will go to basic rate taxpayers and non-taxpayers after the change. Some 1·2 million wives with an income under £5,000 a year will gain. Half the cost of independent taxation will go to the elderly, and 80 per cent. of elderly taxpayers will gain. All that amply shows that the reform is extremely beneficial to very many people.

The hon. Member for Newcastle upon Tyne, East referred to introducing independent taxation in a fiscally neutral way. That makes no sense. There is no way in which we can introduce independent taxation on income on a fiscally neutral basis. If there is, the hon. Gentleman did not do much to enlighten the House about what he had in mind. He told us what he was going to do about capital gains tax, and I hope to show that it is complete and utter nonsense to have independent taxation for income and somehow to resile from that position for capital gains.

Mr. Nicholas Brown: The Minister is being uncharacteristically unfair and he misrepresents what we said. All that we advocated was progressive taxation on unearned income. We advocated nothing more than that. In other words, there should be redistribution from the wealthy to the less wealthy.

Mr. Lamont: I certainly did not want to misrepresent the hon. Gentleman. I am grateful to him for making his position clear. I assume that he means that the burden of the increasing progressive taxation will be spread over all taxpayers, whether or not they are beneficiaries of independent taxation. I do not think that that is necessarily a very logical position to adopt.

Several of my hon. Friends, notably my hon. Friend the Member for Torridge and Devon, West (Miss Nicholson), referred to the married couple's allowance going to the man in the first place. the hon. Members for Gateshead, East (Ms. Quin) and for Redcar rehearsed those arguments. They know, of course, that the allowance can be transferred to the wife. They have also heard me say that the effect of our proposals will achieve the right results in 99 per cent. of cases. Only in a quarter of 1 per cent. of cases will we not achieve the right result.

I make the point that with that one quarter of 1 per cent. one is talking about the better-off, and Opposition Members are advocating that I should give just a little bit more to the better-off. We have decided that that solution is not worth pursuing. Our solution will allow us to implement the proposals in 1990 and to advance the timetable, which would otherwise not have been feasible. I am not saying that a Government will not look at that matter again one day, but I emphasise that an enormous amount of work has been involved in getting the revenue and computer programmes ready to implement the measure by 1990. It is a tight timetable as it is.

10 pm

The hon. Member for Gateshead spoke of the possible risks of forestalling and of couples transferring assets between them. Perhaps that will happen to some extent, but it will be a consequence of independent taxation. I do not for one minute believe that we could introduce the concept of taxing transfers between husband and wife. If Opposition Members reflect on that point, they will come to the conclusion that it would be far too draconian to prevent husbands and wives from switching assets between them.

One point that has not been mentioned in this debate, and which Opposition Members appear to have left totally out of account, is how we are to combine capital gains tax and income tax. The Opposition have not said that they are against taxing capital gains at income tax rates, so I presume that they are in favour. If they are, surely it follows logically that if capital is to be treated as income, capital gains also should be subject to a separate exemption for husband and wife. That seems to me to follow logically.

It is said that capital gains tax should be revenue-neutral. But what precisely does that mean? It can only mean one of two things: either that the annual exemption on capital gains would be reduced for everyone, penalising capital gains tax payers who are not married —which would be a nonsense—or introducing a lower exemption for husbands and wives than for single people. The hon. Member for Berwick-upon-Tweed found that out when he was exploring the subject with the hon. Member for Caernarfon. Either way, that proposal makes not one jot of sense. I urge the Committee to support the clause.

Question put and agreed to.

Clause 31 ordered to stand part of the Bill.

Clause 98

MARRIED COUPLES

Question put, That the clause stand part of the Bill:

The Committee divided: Ayes 248, Noes 182.

Division No. 292] **[10.02 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Aspinwall, Jack
Atkinson, David
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Bevan, David Gilroy
Biffen, Rt Hon John
Bigga-Davison, Sir John
Blackburn, Dr John G.
Body, Sir Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl'Ts)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Burt, Alistair
Butler, Chris
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Mont'g)*
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Coombs, Simon *(Swindon)*
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Fallon, Michael
Favell, Tony
Fearn, Ronald
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Fry, Peter
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon Archie *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hordern, Sir Peter
Howard, Michael
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Kellett-Bowman, Dame Elaine
Kennedy, Charles
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Lester, Jim *(Broxtowe)*
Lilley, Peter
Livsey, Richard
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Mellor, David
Michie, Mrs Ray *(Arg'l & Bute)*
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Morrison, Hon Sir Charles
Morrison, Hon P *(Chester)*
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, Emma *(Devon West)*
Paice, James
Porter, David *(Waveney)*
Rathbone, Tim
Riddick, Graham
Roe, Mrs Marion
Ryder, Richard
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Sims, Roger
Speller, Tony
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stradling Thomas, Sir John
Summerson, Hugo
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, Patrick *(Norwich N)*
Thurnham, Peter
Tracey, Richard
Tredinnick, David
Trippier, David
Twinn, Dr Ian
Waddington, Rt Hon David
Walden, George
Walker, Bill *(T'side North)*
Wallace, James
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Mark Lennox-Boyd and
Mr. David Lightbown.

NOES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Archer, Rt Hon Peter
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Callaghan, Jim
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Eadie, Alexander
Ewing, Harry *(Falkirk E)*
Fatchett, Derek

Field, Frank *(Birkenhead)*
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Golding, Mrs Llin
Gordon, Mildred
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Heffer, Eric S.
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Martyn *(Clwyd S W)*
Kinnock, Rt Hon Neil
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
Orme, Rt Hon Stanley
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Primarolo, Dawn
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Turner, Dennis
Wall, Pat
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Winnick, David
Wise, Mrs Audrey

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Ken Eastham

Question accordingly agreed to.

Clause 98 ordered to stand part of the Bill.

Clause 26

CORPORATION TAX: SMALL COMPANIES

Question proposed, That the clause stand part of the Bill.

10.15 pm

The Economic Secretary to the Treasury (Mr. Peter Lilley): Since 1979 we have introduced a large number of measures to help small businesses. The Finance Bill introduces further measures. In particular, clause 26 reduces the rate of corporation tax on the profits of small companies from 27 to 25 per cent. Since we have been in office, the small companies rate of corporation tax has been cut by 17 percentage points from 42 to 25 per cent.

This is the sixth successive year in which we have been able to keep the rate of tax to the small company in line with the basic rate of income tax. It is now the marginal tax rate for the vast majority of unincorporated businesses. Out of a total of 418 companies paying corporation tax in 1985-86, the last year for which we have comprehensive figures, no fewer than 392,000 companies paid tax at the small companies rate. A further 19,000 were in the transitional band, still paying below the full corporation tax rate. Only about 7,000 companies in the United Kingdom paid the full standard rate of corporation tax.

The total number of companies in the low tax band has been increasing rapidly. Between 1982 and 1985-86 an additional 160,000 companies paid the small companies rate. The number of companies rising into the transitional and full tax zones has more than doubled, so more companies are paying more tax, but at lower rates. Above all, this reflects the return to profitability of British industry as well as an increase in the number of small businesses that have been started or expanded.

As a result of the progressive reduction in the small companies tax rate and related changes, the regime for small businesses in this country is now one of the most favourable in the industrialised world. We have a lower rate of corporation tax than most countries, we have a more favourable rate for small companies than most countries, and we have a wider band to which that rate applies than almost any other country. In short, Britain is now as attractive a country in which to establish and expand a small company as any of our major competitors and there is every incentive for our small companies to grow larger. The clause reinforces that position, and I am pleased to put it before the Committee.

Mr. Chris Smith: It might help if I said at the outset that we do not intend to divide on clause 26. We welcome its provisions, but there are a number of questions about it that ought to be answered.

First and foremost, the clause enshrines the principle of progressivity. The Labour party has advocated and will continue to advocate a much more progressive income tax system. The same principle ought, in fairness and logic, to be applied to corporation tax. That principle is enshrined in the proposal that there should be a 25 per cent. rate for companies whose profits do not exceed £100,000 and also in the consequential adjustment to the marginal relief fraction.

We also welcome the clause because we support and wish to encourage the growth and development of small businesses. The Chief Secretary told us in the Budget debate that the Government are doing far more for small businesses than have any previous Government. He told us that the number of small businesses is increasing at about 500 a week. That figure is more or less accurate. The number is 494 a week—a figure that is based on VAT-registered companies and VAT returns. It is worth pointing out that the equivalent increase for the the period 1974-79 was 417 a week. The Government have made a marginal improvement in the rate at which small

[Mr. Chris Smith]

businesses have been established, but the record of previous Labour Governments stands reasonable comparison.

The Government have taken a number of measures that doubtless they will claim encouraged the formation of small businesses, including provisions for a delay in the payment of tax by giving an average of several months' credit to small businesses. Those small businesses would probably nominate liability on the preceding year basis, which allows the offsetting of costs and expenses against tax. The Government would probably also claim to have helped small businesses through the self-employment schemes and national insurance changes. It is small wonder, therefore, that small businesses may have improved their position marginally over the lifetime of the Government.

The greatest factor affecting small businesses is the level of interest rates. In that regard, the Government do not have such a good record. To the detriment of small businesses and, indeed, business as a whole, we still have one of the highest real rates of interest of the entire developed world. That is not something of which the Government should be proud, even if it is a matter by which the Prime Minister seems to place so much store when considering the exchange rate level and the Government's inflation policy.

A further caveat should be entered. If we are placing so much importance on the development of small businesses, we should pay attention—the Government never seem to pay attention to this—to the increasing domination of our economy by large business and large-scale enterprise. The figures are startling. If we look at the number of firms in the United Kingdom representing the upper half of retail sales, we find that in 1950 there were 4,750. By 1961, the figure had fallen to 1,700. By 1971, it had fallen further to 930. According to 1985 figures, the figure now is 94. The concentration and centralisation of economic power which that represents is something about which the Government should be more concerned. It is fine to talk about promotion being available for small businesses but at the same time a blind eye is being turned to the agglomeration of an enormous amount of economic power into the hands of a small number of companies.

The further change in the corporation tax rate for small businesses may encourage payments to be made to shareholder-directors in the form of dividends rather than a salary. If a privately owned small company makes a profit and distributes it as dividend to basic rate tax paying shareholders, it pays corporation tax at 25 per cent., against which the shareholder's personal income tax can be set.

That results in a tax burden of 25 per cent. to the company and zero per cent. to the shareholders, giving a net tax rate of 25 per cent. If, however, the same profit is paid as salary to the directors, who, in small companies, are also likely to be the shareholders, the company has to pay 10·45 per cent. in national insurance and the employees have to pay 9 per cent. national insurance on top of their basic rate tax. The net tax burden in such circumstances is therefore 41 per cent. I think that we are entitled to ask whether it is right that we have a system which, because of how national insurance operates, encourages that device.

Broadly speaking, we favour the clause. We shall not divide the Committee but simply want the Government to be a little more honest and realistic about small businesses and the desire—theirs and ours—to encourage the enterprise that they represent. Moreover, the Government should cover the efforts of small businesses and the Opposition's attitude with less of a gloss than they sometimes apply.

Mr. Graham Bright (Luton, South): I, too, sincerely welcome clause 26. Any reduction in the tax payable by small companies is desirable, to say the least, but I am worried lest we leave it there.

Small companies usually try to expand. They often borrow heavily and are not flush with cash. It is irksome to make a profit and then have to pay out quite a lot of it in taxation. A company may be keen to expand or re-equip, especially in view of present challenges, such as preparing for 1992. It is important that our small firms are as well equipped and prepared for 1992 as are those in Germany or France. Moreover, they must face competition from engineering companies in South Korea and Taiwan.

When companies want to retain cash for further development or research and development—I am not talking about those which milk profits to pay directors or use schemes such as the hon. Member for Islington, South and Finsbury (Mr. Smith) described—we should make it as easy as possible for them to put their profits back to work. That is always more difficult for small companies. They cannot be as fast on their feet as a large company with a chain of accountants looking for every possible way in which to delay or avoid paying taxes.

We are talking here of corporation tax for small companies being in line with income tax. That is great, and I hope that we will keep it that way. It prevents any temptation to switch funds or to take them out of the company. There is a problem with the existing structure. I have argued for a graduated corporation tax. At the moment there is a marginal rate between £100,000 and £500,000. The effective rate for companies of this size is 37·5 per cent., which is 2·5 per cent. over the higher rate. I always think that that is a bit of a discouragement. It causes a company to think seriously about putting the brakes on at £100,000 and perhaps using all sorts of devious ways to stop paying that tax. I want to see a system that alleviates that.

10.30 pm

I do not want a system under which companies waste money. That always worries me. Sometimes an accountant says to a company, "You are going to make a profit, so it might be a good idea if you got rid of some money. Perhaps you ought to buy yourself a new Merc, refurbish the office or buy some equipment." Such spending does not occur because a company wants it to, but because it is a way of getting rid of some of the money. I do not like that, and I hope that we will look at that point. Let us make sure that we do not put things in the path of small businesses so that as they grow they design their business round the tax system. That is wrong. The tax sytem should be there to take money when people are making profits, but we should make it simpler. When we talk about a progressive tax, I hope that that is what we mean and that we will not have the clawback position that we have now.

We have put corporation tax in line with personal income tax, so what about providing an allowance for tiny companies? For personal income tax there is an allowance of £2,605. For a large company that does not mean anything. However, for small companies, we should have a band of profits that are tax-free at the lower end. It could be linked to the personal allowance, but it could be higher, at perhaps £5,000 or £10,000. I am suggesting that because we should try to encourage companies to put cash back into the business. We should encourage small businesses to do that regularly.

As I said earlier, we are looking towards 1992 and we want to make sure that companies are equipped to face the position then. The most important thing they can do to equip themselves is to ensure that they have the most modern tools and machinery and that they invest money in research and development. Often a company starts well and gets its own share of the market, but if it does not plough money back into research and development, it loses that share of the market.

I welcome the clause and I congratulate my hon. Friend the Minister on what he has introduced. However, I hope that he will look at the points that I have raised because they bother me as a small business man, and I know that they bother most of the small business men to whom I have spoken.

Mr. Beith: The hon. Member for Luton, South (Mr. Bright) made some interesting suggestions. This is not the moment to go into the list of things that small businesses would like to see modified to make their lot easier. However, I should like to place on record the fact that we welcome the reduction in small business corporation tax.

We suggested to the Chancellor that he might use the corporation tax device that was so successfully used by the right hon. and learned Member for Surrey, East (Sir G. Howe) when he was Chancellor, which was to carry out a phased reduction in corporation tax for large as well as small companies. That produced an incentive to investment, which might have been a productive step to take in current circumstances. There are quite strong arguments for doing so. The present Chancellor has not done that, but he has at least given the corporation tax reductions for small businesses in this clause and we welcome them.

Mr. Lilley: I do not intend to detain the Committee, but I should like to respond to a point raised by my hon. Friend the Member for Luton, South (Mr. Bright) to whom I pay tribute as a doughty defender of small businesses. He raised the question whether there should be a tax-free band for small businesses. There is a problem in that that would create a more favourable position for incorporated business than for unincorporated businesses. Also, it would presumably have to be available for all companies large and small, or we would have the problem of clawing it back, which would create a somewhat higher rate while it was being clawed back. My hon. Friend said that that happens under the present system, when we move from the rate for small companies to the standard rate. The clawback rate in that intermediate zone is significantly below the low rate that we used to have for small companies. Therefore, the position is not too serious and companies generally feel better off than they did.

I am grateful to the hon. Member for Islington, South and Finsbury (Mr. Smith) for the fact that he does not propose to divide the Committee. I welcome the Committee's support for the cause of small businesses. I confess that I am slightly puzzled that the Labour party thinks that business men should pay a lower rate of tax than the ordinary man in the street, but that is for it to explain to the electorate.

Question put and agreed to.

Clause 26 ordered to stand part of the Bill.

To report progress and ask leave to sit again.—*[Mr. Peter Lloyd.]*

Committee report progress; to sit again tomorrow.

PETITION

Rating Reform

10.37 pm

Mrs. Maria Fyfe (Glasgow, Maryhill): I have the honour to present a petition on behalf of several constituents of Glasgow, Maryhill, including the Ruchill unemployed workers centre, Milton community council, Maryhill "B" tenants association, Cadder residents association, Woodside tenants association, Botany action group, Maryhill elderly forum, Lambhill community council and Lambhill senior citizens.

The petition is addressed

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled.

It states

that the Abolition of Domestic Rates Etc. (Scotland) Act provides for the introduction in Scotland of the system of Community Charge or Poll Tax which will impose upon the people of Scotland a system of local taxation which will take no account of the ability of the citizens to afford such taxation and will cause hardship to many who are already poor. The Community Charge or Poll Tax will cause the redistribution of resources away from the poor areas into areas which are already prosperous. It will be expensive to operate and its collection will entail invasions of privacy and allocation to each adult Scot of an algorithm or personal computer identification number.

Wherefore your petitioners humbly pray that your Honourable House repeal the Abolition of Domestic Rates Etc. (Scotland) Act and your petitioners, as in duty bound, will ever pray etc.

I presented a similar petition some months ago. The people of Maryhill are no more in favour of the poll tax than they were then. Last Friday night the people living in Braid square in Woodside informed me that a poll tax canvasser was going about knocking on their doors at half-past 10 at night delivering the poll tax forms. She had a can of beer in her hand. I do not think that any hon. Member would attempt to justify such conduct, nor do I think that this behaviour was ever expected when the authorities embarked upon the distribution of the poll tax forms. I warn the House that this is the kind of thing that is likely to happen when poll tax canvassers are paid 40p per successful form completed and are largely recruited through their local jobcentre, which tells them that they must take on this occupation——

Mr. Deputy Speaker (Sir Paul Dean): Order. I am sorry to interrupt the hon. Lady, but she is now arguing the case, which she must not do when presenting a petition.

Mrs. Fyfe: In that case I shall conclude, Mr. Deputy Speaker, by presenting the petition, in the hope that the House will pay heed to my constituents' wishes.

To lie upon the Table.

Government Departments (Relocation)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

10.39 pm

Mr. James Cran (Beverley): I am pleased to have the opportunity of a short debate on the relocation of Government Departments and the dispersal of civil servants, not simply because I think that it is an important policy objective but because the Government share that view.

In 1979 the Government made a commitment to relocate civil servants and Government Departments. They said that they would relocate 5,900 posts. I cannot criticise the Government in that regard because to date they are on course to meet that target. As I understand it, 5,500 posts have already been dispersed and the remainder of the process is in train.

In addition, 6,000 posts have been dispersed on Departments' own initiative. It would be interesting to know how they exercise their initiative in this regard. That means that over the past nine years about 11,500—shortly to be 11,900—posts have been dispersed, out of a Civil Service consisting of more than 500,000 individuals. My question is whether the progress to date is satisfactory. I say that because, even though the target will have been achieved, it was an exceedingly modest one in the first place. Given that it was a modest target, perhaps it could have been achieved more quickly.

It is said—especially by civil servants—that four fifths of the Civil Service is located outside Greater London. I have checked the facts, and that is absolutely true. However, as with all statistics, one needs to look behind the figures to find out exactly what they mean. While those statistics are factually correct, an analysis of the number of staff by economic planning region gives a wholly different picture. I considered non-industrial Civil Service staff in England, although I readily agree that I could have chosen the whole of the United Kingdom.

I found that the south-east has the considerable total of 46·6 per cent. Dear old Yorkshire and Humberside—the House will understand why I call it that—has 7·2 per cent.; the west midlands has 7·1 per cent.; the north 7·4 per cent.; the east midlands 4·8 per cent., the north-west 12 cent., the south-west 11·3 per cent., while East Anglia comes up tail-end Charlie with about 3·2 per cent.

Mr. Timothy Devlin (Stockton, South): I am sorry to interrupt my hon. Friend in mid-flow. Is he not appalled that out of about 600,000 civil servants in the United Kingdom, only 33,600 are in the northern region? Does that not show a signal failure on the Government's part to sell the northern region, with all its strengths, to civil servants, who should be moving north and making a valuable contribution to the local economy?

Mr. Cran: My hon. Friend makes his own point in his usual eloquent fashion, although he perhaps uses rather more extravagant language than I would use. I heard what he said, and there is no doubt that others did.

Let us move on to consider industrial civil servants, again in England. I shall not go through the figures, but essentially they are no different from those for non-industrial civil servants. When one puts the two

together, one finds that the south-east of England is way ahead in its ability to attract and keep civil servants at the total of 46 per cent.

I have not mentioned Scotland, Wales and Northern Ireland because in a sense those three countries prove the point. They have their own Departments of State, and Scotland has almost 10 per cent. of the total number of civil servants in the United Kingdom. What is good for Scotland, Wales and Northern Ireland might be good for some of the other regions apart from the south-east. The gist of my remarks, therefore, is that the south-east is doing well and the other regions are doing extremely badly.

I am not one of that band of people who believe that we should disperse civil servants for the sake of doing so. If it is not cost-effective and does not increase or maintain efficiency, we should not do it, but there is no iron rule to suggest that if greater numbers of civil servants were distributed throughout the other regions either of those criteria could not be met. Indeed, cost-effectiveness can be measured. Inner London weighting cost the taxpayer the fairly substantial—some would say staggering—total of £675·5 million in the five years from 1983-84 to 1987-88. If I am correct in assuming that in the Government's view more civil servants could be dispersed, a considerable proportion of that sum could have been saved.

In saying that, I pay tribute to the fact that this Government of all Governments have been extremely careful in their management of public expenditure. I believe that the same could be equally true in this area. In addition to inner London weighting, there are intermediate and outer London zone costs, London pay additions, inner London secretarial allowances and London allowances for lawyers, accountants and those whom we have all learnt to love—tax inspectors. In other words, a myriad costs of this kind have grown up in an extremely tight labour market. That is another reason why relocation policy should perhaps be more aggressively considered.

There are other reasons. For some reason that is not entirely clear to me, it seems that in London civil servants work 41 hours per week whereas outside London they work 42 hours. Clearly, if more of them were outside London they would produce an extra hour's work each, which would again save taxpayers' money.

Resignation rates are an important consideration for any employer, and in this context the Government are the employer. For reasons that we all understand, resignation rates are far higher in the south-east than in any other region. That, again, entails additional and, in my view, needless costs to the taxpayer.

In addition to the manpower costs, there are office costs. It costs not far short of £300 million per annum in rent, rates and maintenance for all our buildings in Greater London. The Treasury guide to office rental values which has been laid in the Library shows that considerable savings could be made if offices were opened in other regions. To give the House the flavour of the situation, new office accommodation per square foot costs between £25 and £57 in City—my right hon. Friend the Minister will no doubt say that we do not have many offices there, and I take the point—£18·50 to £40 in the west end, in the London suburbs £7·50 to £17, in dear old Yorkshire and Humberside £4·75 to £7 and in the west midlands £3 to £8·50. It does not take a chartered accountant to work out the savings that could be made if we had a more aggressive policy.

That is the cost-effectiveness argument. What about the efficiency argument? Nothing in the Treasury guidelines suggests any major efficiency obstacles; quite the contrary. The hoary old arguments that we have all heard about bad communications between London and offices relocated to Hull, Humberside or Stockton are nonsense. The Government's communications network covers the entire nation and can be adapted in almost any way to meet new technology. The developments in information technology, including visual and document transmission, render the arguments about bad communications completely out of date.

If I had longer, I could outline many other reasons why I believe that we should be more aggressive, but I shall canter quickly over three of them. The first is the contribution to regional economies. That significant reason has been accepted by the Government in the Treasury guidelines. An example is the move of the Manpower Services Commission to Sheffield. There is no evidence to show that that move was not extremely good, and there is plenty of evidence to show how it has affected the local economy.

Secondly, the regions have a stake in the government of the United Kingdom. We must dispel the notion that London-based means London-biased, although we understand why it has occurred. The civil servants who are out in the regions tend not to be the policy-makers. Far from it. They tend to be mainly functional. The further away civil servants are from the south-east, not only are there fewer of them but they are less senior. As one who has spoken to and worked with more regional directors of more Departments than anyone, I can honestly say that most of them believe that being sent to a region is like being sent to Siberia. They always keep their houses in the south of England because they know that they will move back. The simple reason is that most of the Civil Service is here.

The third point is the benefit to civil servants. This is an extremely difficult problem for the Government, but they are no different from other employers who must communicate with their work force. I hope that the Government will communicate aggressively with civil servants to show the advantage of relocation. My right hon. Friend the Minister is my Member of Parliament. When I was elected to the House, I had to buy a flat in Westminster, which cost twice as much as a four-bedroomed house in Yorkshire and Humberside. What a compelling reason for a civil servant to want to be relocated. But the facts must be presented to him.

To give my right hon. Friend the opportunity to reply, I end by saying that I have some anxiety about our relocation policy and the modest achievements that we have had to date. I do not say that we made a promise and did not keep it, because we indubitably did. But the targets were too modest, and there was a propensity to relocate out of Greater London simply to overspill into the south-east and the regions adjacent to it. I am worried that no more central targets will be set. From the experience of all the jobs that I did before I came to the House, I know that unless targets are set from on high, it is easy to find reasons not to do what is required. I am worried about that, and, therefore, the passive nature of the policy requires further consideration.

[Mr. Cran]

I am assuaged in going a little further only by the fact that there will be annual surveys of progress by Government Departments—perhaps my right hon. Friend will tell us when those are due—and that annual efficiency gains will be sought from Government Departments. Perhaps that will act as a spur to relocation.

We need greater progress. If the subject were debated on another occasion, hon. Members would agree that we should not return in another nine or 10 years to find that all we had done was to relocate 5,900 civil servants, plus the other 6,000. The other regions of the United Kingdom simply will not understand such lack of progress.

10.55 pm

The Paymaster General (Mr. Peter Brooke): I congratulate my hon. Friend the Member for Beverley (Mr. Cran) on his success in the ballot and on his choice of subject for our short debate.

If I had not known before of my hon. Friend's considerable interest in matters of Civil Service location generally and, of course, of his constituency and regional interest in these issues, the large number of pointed parliamentary questions that he has asked me and others over recent months would have left me in no doubt of it.

My hon. Friend's choice of subject gives me a timely opportunity to elaborate a little on the Government's policy on the location of Government work, to provide some further background on the new phase of that policy that I announced to the House in March, and to assure my hon. Friend of the Government's continuing commitment to relocation, wherever that is efficient and cost-effective.

As my hon. Friend has rightly said, in 1979, we announced a programme for dispersing 5,900 Civil Service jobs out of London. As he acknowledges, that programme has been a success and is all but complete. Some 5,560 jobs have already been relocated as a consequence. The locations to which they have gone are widespread and include Sheffield, Glasgow, East Kilbride, Southend, Salisbury and Norwich. Planning is in hand for the small balance of 340 jobs remaining for dispersal under the 1979 programme.

Over and above that centrally run dispersal programme, individual Departments have, at their own initiative, relocated a considerable number of jobs, or created new ones, out of London and the south-east. In all, those amount to well over 6,000. They include, for example, a new office with 150 posts created by Her Majesty's Land Registry in Hull, and increases in the number of Department of Health and Social Security jobs in North Fylde, Lytham St. Annes and Preston of almost 1,200. My hon. Friend and the House will also be aware of the recent decision to relocate the Patent Office to Newport, which should create at least 500 new jobs locally.

In all, therefore, since 1979, some 12,000 Civil Service jobs have been located or created outside London and the south-east, about half through the centrally managed dispersal programme and half at the intitiative of individual Departments.

That has contributed significantly to a substantial spread of Civil Service work and job opportunities throughout Britain, particularly when it is remembered that during this period the Civil Service has fallen significantly in size. The present picture is that about four fifths of all civil servants already work outside greater London and more than three fifths work outside London and the south-east. My hon. Friend will be more aware than most that the Yorkshire and Humberside region was a major beneficiary of the Government's dispersal programme. The move of 1,760 Manpower Services Commission jobs from London to Sheffield accounts for almost one third of the total number of posts so far dispersed under this programme.

The figures that I have just quoted are good, but before I come to our plans for the future I should like to say a word about the interesting figures that my hon. Friend gave for civil servants in the English regions. I am not sure that I could endorse the details he gave, but the overall picture he paints is, within its limits, a fair one. The south-east has a larger proportion of civil servants—industrial and non-industrial—than any other English region, or than Scotland, Wales or Northern Ireland. It also has a significantly larger population than any other region, and if one looks at the number of civil servants per thousand of population the picture is rather different. The northern region, to which my hon. Friend the Member for Stockton, South (Mr. Devlin) referred, has almost as many —and the south-west region has more—civil servants per head of population as London and the south-east, despite the fact that the south-east region includes the national capital and seat of Government.

If my hon. Friend the Member for Beverley was seeking to create the impression that no other English region has the same or a higher proportion of civil servants as Scotland, Wales or Northern Ireland, I hope that he will allow me to correct him. At 1 April last year, the north-west region of England had 10 per cent. and the south-west region over 9 per cent. of the total non-industrial Civil Service—that is, civil servants in the United Kingdom as a whole—compared to just under 10 per cent. in Scotland, about 5 per cent. in Wales and just over 0·5 per cent. in Northern Ireland.

I assure my hon. Friend that the Government do not intend to rest on the progress already made. When, on 31 March, I informed the House in a written answer of the successful completion or near completion of the 1979 dispersal programme, I announced also a new phase in Government policy on the location of their work. I explained that, though no further central targets for relocation would be set, Departments would be reviewing the location of their work with a view, in suitable cases, to finding locations offering advantages in terms of recruitment and retention of staff, value for money and other considerations relevant to service delivery and management.

After careful thought, we decided that it would not now be sensible to have a new version of the dispersal programme of 1979, which was centrally managed and had overall statistical targets, but that we would instead exploit the tide of individual departmental initiative for relocation that has been running strongly in the past few years and has, as I said, led to the actual or planned relocation of as many jobs as the formal dispersal programme itself.

There are a number of reasons for this. First, it is consistent with the general trend in Civil Service management, which is to avoid central direction where possible and place the power to make decisions and the responsibility for making them with individual Departments acting within a clear framework of policy and with clearly defined incentives to take sensible

decisions. It seems to us that decisions taken in this way are likely to be better decisions than those taken in conformity with some massive central blueprint or master plan which would, very likely, be the product of a vast interdepartmental committee—probably meeting, incidentally, in the SW1 postal district.

Secondly, it is consistent with the general change that has been taking place in the economy and in decision-making processes. Property is cheaper and staff are easier to find, outside the south-east. Sensible businesses are increasingly exploiting these advantages, and we want to build on the wish of individual Government Departments to do the same.

My hon. Friend has some doubts that Departments will respond without central direction. But they have already shown that they are keen to do so. It is of the essence that I cannot forecast now exactly how many jobs will be relocated as a consequence of this new phase of our policy, but I am sure that all Departments will look seriously and sensibly at the options, and that if the trend of the past few years is any guide, a substantial number of jobs will be relocated, to the benefit of the efficiency of the Departments concerned, of their costs and the value for money that they give, and of the economic conditions in the receiving localities. I know that my ministerial colleagues are committed to this programme.

My hon. Friend refers to the guidelines for Departments on the location of work. These guidelines emphasise the importance of thorough reviews based on the principles that I have mentioned. They also require Departments to give adequate weight to Government policy for the regeneration of regions and inner cities and provide in a good deal of detail examples of the kind of cost and labour supply advantages that relocation can bring. I might add that they also offer the prospect, in suitable cases, of some short-term help from the Treasury with the transitional costs of relocation. Those costs can be significant, and we are anxious that they should not be a disincentive to achieving the longer-term benefits.

The new guidance takes account of the regional policy dimension in terms agreed with the regional and territorial Departments. It requires that

"For all major possible relocations, i.e. those involving more than 100 people, the department should consider any site or sites suggested by the territorial or regional policy departments within assisted or urban programme areas and include at least the most favourable of these in their list of costed options, even if this does not provide the greatest overall saving the move must, however, generate a positive Net Present Value".

The new guidelines have been firmly linked to running costs and to the public expenditure survey; first, because we considered that the policy might work better if the Treasury agreed to consider requests for help with transitional costs by additions to running costs limits; secondly because some expenditure benefits might be expected to be achieved if relocation were chosen; and, thirdly, because the Treasury would need to "keep the score" of the overall plans and achievements of Departments as the new policy progressed. In addition, Treasury expenditure divisions will ensure, within the context of the annual expenditure survey arrangements, that Departments produce worthwhile and relevant proposals on relocation in accordance with the guidelines.

It is clear that there are benefits in the longer term from sensible decisions on location and relocation. We have not done, retrospectively, a full cost-benefit analysis of the dispersal programme undertaken in 1979, but there is evidence that sensible decisions can lead to considerable savings. For example, a recent report submitted to my right hon. and learned Friend the Secretary of State for Scotland evaluates very positively the results of dispersing part of the Overseas Development Administration from central London to East Kilbride in 1981. I understand that my right hon. and learned Friend intends to publish the report in the near future. I am sure that my hon. Friend will read it with interest and encouragement, and I have already made arrangements to circulate it to Government Departments generally as an example of the benefits that can be achieved.

As I am sure that the House will recognise, relocation is not the answer to every Civil Service problem; nor should it be seen as an automatic device for spreading employment opportunities. Some Civil Service work will have to remain in London and the south-east. People who live in these areas need local services just as much as people living elsewhere—jobcentre clients, for example. Although modern communications, technology and good transport links now mean that much work can be done elsewhere, some Civil Service work will always have to be done in close proximity to Parliament, Ministers and the City.

My hon. Friend mentioned the attitude of the Civil Service unions. It is of course important, in introducing policies of this kind, to consider the position of the staff who will be subject to the new arrangements. We have given an assurance to the Civil Service unions that, when jobs are relocated, every effort will be made to avoid the compulsory transfer of people in mobile grades and to find alternative jobs within reasonable travel distance for non-mobile grades. We have also confirmed, in the guidelines, the existing requirement on Departments to consult their own trade union sides when planning relocations; and, while there are issues which I have no doubt that the unions will wish to discuss further with the Treasury, I see no ground for pessimism.

In sum, I am sure that this new phase of location policy will yield considerable benefits—to Departments, to the public that they serve, to the Exchequer and to the localities which receive new Civil Service jobs. I will at the earliest suitable opportunity—probably some time next year—give the House some account of the progress made and planned. I am sure that my hon. Friend, with his enthusiasm for the subject, will not be alone among hon. Members in following this progress with keen interest. He has done a service to that cause and process by his detailed and eloquent treatment of the matter tonight.

To conclude on a personal note, as the local Member of Parliament for SW1 and adjacent places, I should say that 3 per cent. of the working population of the entire country comes to work in my constituency daily, leaving the rest of the House to look after the remaining 97 per cent. I am not jealous and I should be happy to see many of those people going to work elsewhere to the good of the rest of the economy.

Question put and agreed to.

Adjourned accordingly at nine minutes past Eleven o'clock.

House of Commons

Tuesday 10 May 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Royal Assent

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

1. Coroners Act 1988.
2. Immigration Act 1988.
3. Public Utility Transfers and Water Charges Act 1988.
4. Farmland and Rural Development Act 1988.

PRIVATE BUSINESS

BRIGHTON AND PRESTON CEMETERY BILL

SOUTH YORKSHIRE LIGHT RAIL TRANSIT BILL

Read the Third time, and passed.

Oral Answers to Questions

SOCIAL SERVICES

Nurses' Pay

1. **Mr. Teddy Taylor:** To ask the Secretary of State for Social Services what account the Government's review of nurses' pay takes of the problem of high living costs in areas like Southend-on-Sea; and if he will make a statement.

The Secretary of State for Social Services (Mr. John Moore): The independent review body examined the question of selective pay supplements and said that for staff outside the London area it would be sensible to wait until the new grading structure has had time to take effect. The review body suggested it would then be possible to decide more accurately whether, and if so what, further geographical pay incentives may be required.

Mr. Taylor: Is the Secretary of State aware that, while the nursing pay review was widely welcomed in the profession and owed a great deal to his initiative, nurses and other public servants working on national wage scales feel discriminated against because of the uniquely high cost of living in some areas, of which Southend is an example? As it is a long time since we had a visit from a Health Minister to our excellent hospitals in Southend, will my right hon. Friend, or one of his colleagues, be willing to visit one of our hospitals and speak to the nurses about their problems?

Mr. Moore: Having had some considerable involvement with the hospitals in my hon. Friend's area, I shall be delighted to accept his courteous invitation. Having said that, I stress that the recommendations of the review body and the problem of geographical pay beyond the Thames region will obviously not go away.

Mr. Michael McNair-Wilson: Since the fringe zone weighting in Sir James Cleminson's report goes out as far as east Berkshire, should it not reach as far as Reading? I suggest that the cost of living in Reading is every bit as high as anywhere in the outer region of London, if not as high as in London itself. Does not the problem of recruiting nurses there owe much to the fact that the cost of living in Reading is as high as it is in London?

Mr. Moore: I stressed that I was repeating the comments of the review body. I am conscious of the particular problems of recruitment in the M4 corridor. The Government are conscious of some of the geographical pay difficulties and will not ignore the point that my hon. Friend has made.

NHS Ancillary Staff (Pay)

2. **Mr. David Marshall:** To ask the Secretary of State for Social Services if he will make a statement on progress towards a pay award for the National Health Service ancillary staff and how it is to be funded.

4. **Mr. Win Griffiths:** To ask the Secretary of State for Social Services if he will make a statement on progress towards a pay award for the National Health Service ancillary staff and how it is to be funded.

The Minister for Health (Mr. Tony Newton): Pay of NHS ancillary staff is a matter for negotiation in the ancillary staffs Whitley council. I understand that negotiations stand adjourned until 18 May. Health authorities are expected to meet general pay increases from their cash allocations and cost improvement programmes.

Mr. Marshall: The Minister's reply is wholly unsatisfactory. When will the Government stop treating ancillary workers as the poor relations of the Health Service and provide health boards with enough extra funds to give ancillary workers a fairer deal, without cutting any other aspect of the Health Service?

Mr. Newton: I wonder whether the hon. Gentleman is aware that under the present Government ancillary workers have had an increase in real terms of just under 4 per cent., which compares with a reduction in real terms of 10 per cent. under the Labour Administration.

Mr. Griffiths: Will the Minister turn his eye away from history and look at the present? Does he realise that all health authorities see the people they employ as part of a total team committed to caring for the patient? Will he now commit the Government to a similar award for ancillary workers and ensure that the health authorities have the money to fund it properly?

Mr. Newton: Having spent eight years as a member of an Administration who have made this country's economy the strongest for a generation and made possible real terms increases in pay of many workers in the Health Service and elsewhere, to which I have referred, I have no intention of turning away from that history.

Mr. Fearn: Is the Minister aware that scientists in the NHS, as well as ancillary workers, have no pay review body and that their pay has fallen behind by 48 per cent.? Does the Minister have any intention of establishing a pay review body for them?

Mr. Newton: The answer to the latter part of the question is no, but if the hon. Gentleman is referring to medical laboratory scientific officers, who form an important group, he will know that there has been active examination of restructuring proposals, which I hope will help to solve some of the problems there.

Mr. Robin Cook: The Minister cannot pass the buck for the negotiations. Is he aware that the Whitley council adjourned so that the management side could consult him? What answer did he give? Does he recognise that, in the seven years since Clegg, the pay of ancillary staff has fallen behind the retail prices index, leaving the poorest even poorer paid? Will he concede that these are often the same people who are experiencing whopping cuts in their housing benefit? How long is he prepared to be Britain's largest employer of Britain's lowest paid workers?

Mr. Newton: I have already said that this group has had a real terms pay increase under this Administration, compared with a real terms pay reduction under the Labour Administration. We shall negotiate in good faith on the basis of a further offer, which no doubt the management side will make when the negotiations resume.

West Midlands Regional Health Authority

3. **Mr. Anthony Coombs:** To ask the Secretary of State for Social Services when he last met the chairman of the West Midlands regional health authority; and what subjects were discussed.

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie): My right hon. Friend last met the chairman of the West Midlands regional health authority on 22 March. I have had the pleasure of meeting him three times since January. A number of issues were discussed, including expenditure on health services in the west midlands, which now stands at a whopping £1·2 billion, an increase of some 34 per cent. in real terms since 1978-79.

Mr. Coombs: Will my hon. Friend confirm that the increase of 30 per cent. since 1979 has led to a large increase in medical staff and to an increase of 24 per cent. in in-patients being treated within the region? Will she also confirm that the districts within the regional health authority have set up their own version of the Government's resource management initiative to allow resources to be allocated not only on the basis of perceived need but to those districts which, like my own, use them most efficiently?

Mrs. Currie: The West Midlands regional health authority is doing a cracking good job. Last year it admitted 700,000 in-patients—13,500 per week. It dealt with nearly 4 million out-patient visits last year—12,400 each working day. Many people have reason to be satisfied with the NHS in the west midlands.

Mr. Rooker: Will the Under-Secretry of State check her diary and confirm that she was not present at the meeting on 22 March between the Secretary of State and the chairman of the regional health authority? I was, along with some of my hon. Friends, and we were given to understand that we would be informed of the cuts that were due to take place in this financial year before they took place in known areas, at the instigation of the chairman and with the agreement of the Secretary of State. We are still waiting for that information.

Mrs. Currie: I am sure that my right hon. Friend enjoyed the meeting that he had with the hon. Gentleman and his hon. Friends. However, I think that the hon. Gentleman misheard me. I said that expenditure on the west midlands health services now stands at £1·2 billion, which is a record in both cash and real terms. The authority is employing a record number of staff, it has a record hospital building programme, and it is looking after a record number of patients.

Dame Jill Knight: At meetings with the chairman, did my hon. Friend discuss waiting lists in the west midlands, which are worrying many people? Has she any news to give to the House on that matter?

Mrs. Currie: Yes. Again, the west midlands has been making considerable progress. The latest figures that we have, for the summer quarter ending September 1987, show that waiting lists had dropped by 6 per cent. in six months, that 42,000 people had been treated from the waiting list, and that the median wait was only six weeks, and falling.

Social Security

5. **Mr. Dalyell:** To ask the Secretary of State for Social Services what resources his Department is devoting to monitoring the effects of the recent social security changes.

Mr. Moore: The effects of the social security reforms are being monitored using a wide range of data derived from my Department's management, expenditure and statistical returns and from the family expenditure and general household survey. The collection and analysis of this data involve a substantial staff effort, but it is not possible to provide a reliable estimate of the cost.

Mr. Dalyell: Why are those on junior rates, who are mostly under 25 and students, excluded from the transitional arrangements?

Mr. Moore: I am not absolutely certain how that relates to the orginal question, but I shall endeavour to answer it.

The transitional arrangements refer specifically to certain groups—the disabled, widows, pensioners and families with children. Throughout the social security reform an attempt was rightly made by the Government, after long consultation and debate, to target help away from those who are younger and independent.

Mr. Sims: Following the changes that my right hon. Friend recently announced, how soon local authorities will be given details so that they can implement the changes to housing benefit? Similarly, when will DHSS offices know about the changes involving hardship cases?

Mr. Moore: I hope that my hon. Friend will be able to confirm in reply to later questions that by the end of this week we should be able to notify specific local authorities. The new unit is being set up this week, and free phone facilities should be in operation within 24 hours.

Mr. Orme: Is the Secretary of State aware that the way in which industrial injury benefit and invalidity benefit are taken into account for housing benefit is having a dramatic effect on tens of thousands of homes? I spent a most depressing week in my constituency talking to constituents who have lost £10, £15, £20 and £25 a week. That is outrageous. What will the Secretary of State do about it?

Mr. Moore: If the right hon. Gentleman checks the very helpful letter that my hon. Friend the Minister for Social Services and the Disabled wrote to him last Thursday, he will see that transitional protection covers the particular problem to which he is referring, as it relates to those who are above income support level but for whom there were local authority discretionary schemes which theoretically under the law stopped at the beginning of last month. They are covered by the transitional arrangements.

Mr. McCrindle: I welcomed the announcement two weeks ago that in future beneficiaries in certain categories should not be more than £2·50 a week worse off, but am I correct in thinking that that does not take into account the 20 per cent. contribution to rates? If so, as a large number of the complaints that I continue to receive are about the effect of having to pay that contribution, may we have an assurance that that will continue to be monitored? If the conclusion reached is that the principle is good, may it be that we are going too far too quickly?

Mr. Moore: As my hon. Friend the Minister of State said on another occasion, we shall continue to monitor this area. However, I would not want to give my hon. Friend false encouragement, because the 20 per cent. contribution to local authority rates was not expected to be covered by the transitional protection.

Mr. Kennedy: One of the things that the Department is monitoring over the transitional period is the number of single payment claims which were outstanding at 11 April, about which I have a later question. Will the Secretary of State give us the average figure, for regional offices within Scotland, of outstanding single payments?

Mr. Moore: I would not wish to abuse the Order Paper and leap to a further question. However, we have had only the first month of initial monitoring of offices in Scotland, and that would be an incorrect statistical basis on which to make a judgment. For example, I know that the hon. Member for Linlithgow (Mr. Dalyell) would not like us to make judgments on the basis of the Bathgate office, where, not untypically, only half the loans provision was used in the first month—a fraction of the grant. However, we are watching the details with great care, and we shall keep the House well informed.

Mr. Hayes: I congratulate my right hon. Friend on his swift and sensitive adjustments, but will he make it absolutely clear that if any further injustices appear he will also be swift and sensitive in rectifying them?

Mr. Moore: I thank my hon. Friend for recognising that the Government moved very fast in making these adjustments. This Government, who were involved in a rapid change affecting 8·5 million people and an expenditure of £14-plus billion, and who made modifications to the tune of £100 million, deserve my hon. Friend's congratulations.

Mrs. Beckett: Does the Secretary of State accept that the Department ought to heed the results of the monitoring within the Department and by outside reputable bodies? If it had heeded the advance warnings that it received over the last three years about the results of the changes, the transitional protection, for which the Secretary of State has just claimed credit would have been unnecessary, and a great deal of suffering and anxiety would have been avoided. Will he pay special attention to the monitoring of the social fund, from which most applicants, including the young, will be excluded because of its totally inadequate budget?

Mr. Moore: We shall monitor carefully all aspects of the changes. We have already made a clear public commitment to commission independent research into the social fund. It has already been announced in a private notice question that that research will start in the spring of 1989. I confirm that announcement.

Independent Living Fund

6. **Dr. Moonie:** To ask the Secretary of State for Social Services when he expects the first payments to be made from the Independent Living Fund; and what arrangements for interim payments he has made.

11. **Mr. Patchett:** To ask the Secretary of State for Social Services when he expects the first payments to be made from the Independent Living Fund and what arrangements for interim payments he has made.

The Minister for Social Security and the Disabled (Mr. Nicholas Scott): Payments from the Independent Living Fund will be made in the near future when it is legally established. Meanwhile, a number of applications have been received and decisions on interim payments are being made by officials, with professional advice. Final decisions will be taken by the trustees.

Dr. Moonie: Is the Minister aware of the anger and frustration of the voluntary organisations involved in the care of severely disabled people in the community? Will he give a categorical assurance now that the scheme will be fully in place within a very short time?

Mr. Scott: The fact that the scheme is not fully in place should not inhibit anybody from making an application. We have sent out 70 forms in response to inquiries, and 25 completed forms have been returned. Visits by social workers are beginning to take place. The fund is working. I urge anybody who feels that he might be entitled to benefit from the fund to apply as soon as possible to the Department.

Mr. Patchett: Is the Minister able to say why the sum of £5 million was established for the fund? Was it based on the likely number of applicants? Does the Minister have the power to increase its budget should that be necessary?

Mr. Scott: Bearing in mind that there is transitional protection for claimants who were receiving benefits before the change to the new system, I am confident that the £5 million is sufficient to cope with the demand this year. We have said that we will look at the budget amount for subsequent years in the light of experience gained during the first 12 months.

Mr. Wigley: The fund is a useful interim step towards helping disabled people to live in the community, but the real step that is now urgently needed is to implement in full the Disabled Persons (Services, Consultation and Representation) Act 1986. Given the highlighting of very difficult and heartrending cases on the Esther Rantzen programme in the last three weeks, will the Minister now give an undertaking that section 7 of the Act will be implemented as rapidly as possible to minimise the difficulties that face people who are trying to live in the community after having left long-stay institutions?

Mr. Scott: Discussions are taking place on the further implementation of the Act. We need the results of the survey by the Office of Population Censuses and Surveys, and in due course we shall have to look at the pattern of benefits in an overall and coherent fashion.

Mr. Alfred Morris: As the extreme hardship that this fund was supposed to prevent dates from 11 April, is it not outrageous that on 10 May the fund has still not been legally constituted? Has the Minister seen the charge made by the major voluntary organisations for the disabled, that he has seriously underestimated the number of hardship cases? How can he possibly defend a regime that leaves hundreds of thousands of disabled people worse off by reference to a scheme that will help fewer than 300 and that still has not been formally set up?

Mr. Scott: I think that the right hon. Gentleman ought to have listened to the reply that I gave earlier about the arrangements that had been made to ensure that nobody suffers or endures delay because trustees have not yet been appointed or the trust deed agreed. Anybody who feels that he is entitled to benefit should apply now. I am confident that the £5 million will be adequate to cope with the demand on the fund in the first 12 months.

EC (Pensions)

7. **Mrs. Fyfe:** To ask the Secretary of State for Social Services what information he has as to the levels of state pensions in each of the member states of the European Community, taking account of the cost of living in each country; and if he will place in the Library a copy of a league table based on those figures.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Michael Portillo): Only three countries in the European Community—the United Kingdom, Denmark and Ireland—have flat-rate pensions payable to most pensioners. Earnings-related pensions in the other countries are linked to the individual's own earnings, and there is no fixed pension level. Spending on programmes for the elderly in the United Kingdom as a share of gross domestic product is the third highest in Europe.

Mrs. Fyfe: Does the Minister agree that it is a deplorable state of affairs when old-age pensioners visit our advice surgeries driven to tears because they do not know how they will cope with the harsh change in their circumstances that has arisen in the past three weeks? Does he agree that this country has a moral obligation to ensure some dignity and comfort in old age and not to squander the nation's money, turning the rich into the super-rich?

Mr. Portillo: That is why I am happy to tell the hon. Lady that we are spending 9·6 per cent. of our gross domestic product on services and benefits to the elderly and that that is the third highest figure in Europe. I hope that she will be well content with that. She will be aware that only a small minority of pensioners were losers under the reforms, and that measures were taken on 27 April to provide further transitional protection to many of those groups.

Mr. Sayeed: Does my hon. Friend agree that to produce that league table would be misleading because it would ignore the fact that there are benefits available to the elderly in this country that are not available anywhere else in the world?

Mr. Portillo: That is indeed the case. Last year the Leader of the Opposition and Lady Castle provided a league table that was discussed with the European Community's statistical office. That office stated that the comparison between the United Kingdom and other countries appeared to have been carelessly done because it was not accompanied by any comment on the fundamental differences between various social protection systems. That same letter of 27 April 1987 went on to say that the only statement that the office could back was that made by my predecessor, my hon. and learned Friend the member for Mid-Bedfordshire (Sir N. Lyell), that the third highest proportion of GDP spent on the elderly was spent in this country.

Mr. Madden: What European example are the British Government following by cutting the pension of a 74-year-old constituent of mine by the amount of industrial death benefit that she receives in respect of her husband who died 22 years ago? Does the Minister agree that it is disgraceful that 30,000 widows should be handicapped because they are in receipt of industrial death benefit and that the Government have not honoured a commitment that they made some time ago that existing recipients would not be harmed by the changes?

Mr. Portillo: We are almost alone among European countries in paying additions to men's benefits in respect of their wives. That is a major feature of our benefit system.

In addition, our supplementary benefit rates for pensioner coupies are about 20 per cent. higher than, for example, those in Germany, after taking account of the differences in the cost of living. If the hon. Gentleman wishes to go into European comparisons, I am happy to do battle with him.

Nurses

8. **Mr. Thurnham:** To ask the Secretary of State for Social Services what representations he has received from nurses following the pay rise proposals.

Mr. Newton: My right hon. Friend met representatives of the nursing professions at the time of the announcement by my right hon. Friend the Prime Minister of the Government's decision on the pay review body's recommendations. They expressed their satisfaction that the Government had decided to implement the recommendations in full and fully fund the award. The result is that nurses now enjoy the highest ever levels of real terms pay.

Mr. Thurnham: Will my right hon. Friend remind nurses how much better off they are under this Government than they were under the Labour Government? Will he also encourage former nurses to return to the profession, in view of the declining number of school leavers?

Mr. Newton: The real terms increase in nurses' pay since 1979 will now be about 44 per cent., which, as with ancillary staff, compares with a real terms reduction under the Labour Administration.

We urge health authorities to encourage former nurses to return to the profession and very much hope that the pay increase will assist that process.

Rev. Martin Smyth: I appreciate the increase in salaries and welcome the fact that it is fully funded, but does the Minister recognise that there has perhaps been an impact on nurses in the hospice movement that has not been considered? Has he received any representations from such sources regarding such an impact? For example, in the Northern Ireland hospice, the outlay each year of £700,000 should be increased by £100,000 if it is to be fair.

Mr. Newton: Yes, I have had at least one direct representation about this matter. I shall consider the point, but I should observe that many hospices are in part funded by health authorities, and it would be appropriate for them to consider the matter in the light of the additional money being made available to them.

Mr. Nicholas Winterton: Is my right hon. Friend aware that our right hon. Friend the Secretary of State recently made a most successful visit to Macclesfield, where his words of wisdom about what the Government have done for the Health Service went down very well with a discerning audience? Will my right hon. Friend confirm that the Government's commitment is to meeting the nurses' pay review body award in full, and not just the average increase? There is considerable anxiety among administrators and some nurses that it is just the average increase, rather than the full increase, which the Government have rightly agreed to implement, and which is so welcome.

Mr. Newton: We shall shortly make allocations to regional health authorities in respect of the additional funds. They will have to consider how to allocate to the districts. The general proposition, and the basis on which the figures have been calculated, is a full funding of the award. As for the earlier part of my hon. Friend's question, I am sure that any audience of which he is a part is discerning.

Ms. Harman: Will the Minister give us a clear commitment that he will fund the pay award for nurses in voluntary hospices to the same extent as for those in the NHS? Is he aware that charitable hospices believe that they cannot meet the pay increase by rattling collection boxes and that if pay awards are not fully funded services for the terminally ill will be cut and some hospices, especially in northern England, which do not have a wealthy community to back them, will close?

Mr. Newton: I think that, in effect, I have already answered that question. The hon. Lady puts it in an absurd form. If the Government funded voluntary hospices as they fund health authorities, those hospices would cease to be voluntary, with all that goes with it. Many health authorities, through contractual arrangements or in other ways, assist hospices, and I would expect them to take account of the pay award.

Mr. Watts: Will my right hon. Friend keep an open mind about the possible need to extend regional premiums outside the London area? There is great fear in the East Berkshire authority that, in view of our proximity to London, our existing problems with recruiting nurses will be exacerbated by the premium that is payable just over border.

Mr. Newton: My hon. Friend will know that some thoughts on this subject were put to the review body, but it felt that further consideration was needed on the basis of experience. However, we shall bear that point in mind.

9. **Mr. Wareing:** To ask the Secretary of State for Social Services if he will make a statement on recruitment levels at schools of nursing.

Mrs. Currie: I understand that in the year 1986-87, 22,825 people entered basic nurse training. At 31 March 1987 there were more than 61,000 learners undertaking basic nurse training in England.

Mr. Wareing: Why do the Government not treat nurse education with the seriousness that it deserves? Why has there been an 18 per cent. cut in expenditure on nurse education by the Government? Is it not a disgrace and a shame that hospitals such as St. Thomas's in London will have no further student recruits this July, which means that they will have to wait until October before they can get more nurses? That will lead to more ward closures or, at the very least, to more bed closures. Is that not a disgrace? Is it not time that the Government pulled their finger out and monitored vacancies to ensure that they are filled?

Mrs. Currie: The hon. Gentleman might just remember that part of the answer to the first part of his question was given by my right hon. Friend the Minister for Health in the debate on 19 January, when he said that one of the reasons why basic nurse training costs a little less now is that fewer people drop out, so there is less wastage. As for the hon. Gentleman's point about St. Thomas's, he is obviously not aware of what is happening in Liverpool, which covers his constituency. The Sefton school of nursing tells me that it is fully booked for nurse training and is having no problems with recruitment. The Liverpool school of nursing says that it expects recruitment to be the same this year as last year and that it is experimenting with changing the educational test for admission so that it does not have to rely wholly on people with O-levels. There are many good people without educational qualifications who would make excellent nurses, especially in Liverpool.

Mrs. Ann Winterton: Is my hon. Friend aware of how vital it is to open nursing recruitment to groups other than the young? I refer specifically to people who have brought up their families and who then wish to train for and pursue a second career in their early middle years. I am sure my hon. Friend will appreciate the contribution that they could make to the nursing profession.

Mrs. Currie: My hon. Friend is absolutely right. I was making a similar point to the hon. Member for Liverpool, West Derby (Mr. Wareing), as such a policy is already being pursued in Liverpool. I am sure that my hon. Friend will join me in welcoming the increasing number of male recruits.

Mr. Galbraith: Does the Minister agree that there is a problem with drop out, particularly in the first year of training? Does she agree also that it may be partly

overcome if those recruited into nursing could be confident that the Government would fund the regrading implemented in the nurses' pay award? Will the Minister give a guarantee that any increased expenditure incurred by health boards due to regrading will be fully funded by the Government?

Mrs. Currie: We expect this year's total pay bill for nursing to run to more than £5,000 million for the whole of the United Kingdom, and we have a record number of nurses. Our job is to ensure that we recruit, train and retain all the staff that are needed.

National Health Service

12. **Mr. Nicholas Bennett:** To ask the Secretary of State for Social Services if he will make a statement on the progress of the review of the funding and organisation of the National Health Service.

Mr. Moore: We are continuing to examine a range of options for improving services to patients and will bring forward proposals as soon as we can.

Mr. Bennett: Will my right hon. Friend bear in mind that we on the Government Benches are looking for greater choice for patients in their selection of doctor, treatments and hospitals? We want also to see greater efficiency and value for money in the Health Service, through internal and external competition.

Mr. Moore: I take note not only of what my hon. Friend said, but also of the intent behind it. He is concerned not only about increasing competition, but about improving benefits to patients through greater choice and additional resources in health care.

Mrs. Mahon: Will the Minister take on board the point that his policy, and that of the Government, of increasing competition has led to chaos in my health authority? Laundry is now having to be transported 90 miles to Grimsby and hospitals are regularly without clean linen.

Mr. Moore: Competition has brought £100 million of additional money into health care in England for the benefit of patients. I should have thought that even the unreconstructed Labour Benches could begin to welcome that improvement.

Mrs. Virginia Bottomley: While welcoming my right hon. Friend's review, may I ask whether he is aware that many of us hope that he will pursue an evolutionary rather than a revolutionary approach to the problems? Many of us believe that we continue to have one of the best health services in the world and that the challenges we face are still largely of management rather than of funding.

Mr. Moore: As always, I welcome my hon. Friend's contribution. We are looking at all ideas. Our prime and only concern is the better health of our nation.

Nurses

13. **Dr. Marek:** To ask the Secretary of State for Social Services how he intends to monitor the implementation of the new clinical grading structure for nurses.

Mr. Newton: By means of guidance from my Department, visits by officials, and returns from all health authorities showing how many staff have been allocated to each of the new grades from each old grade.

Dr. Marek: Will the Minister give a clear and unequivocal assurance that all the money necessary will be found by the Government for health authorities to enable them to staff all established posts, as opposed to all posts currently filled?

Mr. Newton: Health authorities' establishment requirements are for them to determine within the total of their overall resources. We have committed ourselves to providing, and have provided, the additional money required to fund in full the recent pay award.

Mr. Favell: Can my right hon. Friend say when a response will be made to Project 2000? Will he reject proposals to train nurses away from wards? Does he agree that the best learning experience is practical experience?

Mr. Newton: I hope that we will respond to Project 2000 quite shortly. We certainly intend any proposal to ensure that the training of nurses continues to have a strong practical element.

NHS Ancillary Staff (Pay)

14. **Mr. Doran:** To ask the Secretary of State for Social Services if he will make a statement on progress towards a pay award for the National Health Service ancillary staff and how it is to be funded.

15. **Mr. Ingram:** To ask the Secretary of State for Social Services if he will make a statement on progress towards a pay award for the National Health Service ancillary staff and how it is to be funded.

Mr. Newton: I refer the hon. Members to the reply I gave to the hon. Members for Glasgow, Shettleston (Mr. Marshall) and for Bridgend (Mr. Griffiths) earlier today.

Mr. Doran: The Minister will be well aware that many of the problems in the Health Service were caused by the Government's failure last year to fund increases. He has spoken about the matter this afternoon, but will he give a commitment that in the event of a shortfall in any health board—and we have heard rumours that there will be such shortfalls—his Department will make up the difference to ensure that there is no knock-on effect on other health services?

Mr. Newton: I do not see how any question of shortfall could arise at a time when negotiations are proceeding on the subject of the hon. Gentleman's question, namely, ancillary staff. We expect that health authorities and boards in Scotland will be able to meet the results of any negotiation out of the resources available to them.

Mr. Ingram: Is the Minister aware that many ancillary workers earn poverty wages below the European guideline on decency levels which are set at £3·25 per hour? Does he agree that that is miserly pay for people who do such a valuable job in the Health Service?

Mr. Newton: I readily recognise that many ancillary workers make an important contribution to the provision of the service as a whole. I have also said—one or two hon. Members may not have heard me say it, so I shall have to say it again—that the wages of that group are higher in real terms than when the Government came to office, and that when the Labour Government left office they were lower in real terms than when they took office.

Hospital Waiting Lists

17. **Mr. Gow:** To ask the Secretary of State for Social Services what action he is taking to reduce waiting lists at the Eastbourne district general hospital.

Mrs. Currie: In addition to the improvements that we are seeking within existing resources, last year we made an extra £110,000 available to Eastbourne from the waiting list fund. This was used for nearly 100 additional hip operations. This year we have increased the allocation to £155,000, and it will be used for gynaecology and ear, nose and throat patients.

Mr. Gow: Is my hon. Friend aware that for some specialties the waiting lists in Eastbourne are becoming longer, as is the time involved? Does she agree that for a woman to have to wait two years for a hysterectomy is absolutely unacceptable?

Mrs. Currie: My hon. Friend raised these issues in his Adjournment debate on 29 April. I assure him that there has been a good deal of activity in Eastbourne since then. He was then particularly concerned about gynaecology. He has my firm promise that we will get the waiting lists down, and I will write to him in more detail by the end of the week.

AIDS

19. **Mr. Butler:** To ask the Secretary of State for Social Services whether he has any plans to promote HIV screening on a voluntary basis.

Mr. Newton: I refer my hon. Friend to my reply to him of 12 April, at column *101*.

Mr. Butler: My hon. Friend will be aware that the French Government promote voluntary testing and have a large number of regional centres to which they encourage the population to go for such testing. Why have we followed a different course in this country?

Mr. Newton: My hon. Friend will be well aware that we have given extensive publicity to the availability of testing and made it very clear in our information material that people who are worried about being infected should seek expert advice. That was made clear, for example, in the leaflet distributed to all households. Of course, if further steps are required we shall be prepared to consider them. My hon. Friend will know that we shall shortly be examining the report from Dr. Joe Smith of the Public Health Laboratory Service on various related issues.

Sir Nicholas Bonsor: My hon. Friend will be well aware of the concern in large parts of the medical profession that we are not adequately aware of the trend of HIV in this country. I hope that he will seriously consider taking on not only voluntary but compulsory testing where necessary, perhaps in the armed forces or the prison population, so that monitoring of the progress of the virus can be accurate and adequate.

Mr. Newton: I note my hon. Friend's suggestions, but he will know that we have not so far felt it right to go down the path of compulsory testing. There is no doubt that it would raise some substantial issues. Again I refer in part to the report from Dr. Joe Smith, which we shall be studying.

NHS Expenditure (North-West)

20. **Mr. Tony Lloyd:** To ask the Secretary of State for Social Services if he will make a statement on Health Service spending in north-west regional and district health authorities.

Mr. Newton: Gross revenue expenditure has increased from £382·6 million in 1978-79 to £922·8 million in 1986-87. That represents an increase of 24 per cent. in real terms.

During the same period gross expenditure of £277·3 million has also been incurred on completing 32 new capital schemes within the region. With the benefit of that funding record levels of patients have been treated.

Mr. Lloyd: Nevertheless, does the Minister not recognise that there is a history of the health of people in my region being worse than that of people in the more prosperous south-east and that that spending has done nothing to narrow the gap? When will the Government do something serious about the huge health disparities that exist in Britain?

Mr. Newton: I know of the hon. Gentleman's interest in this matter well enough to know that he is aware that the gap has narrowed. The north-west region is a so-called RAWP-gaining region and it has done substantially better than many others for precisely that reason.

PRIME MINISTER

Engagements

Q1. **Mr. Sackville** To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today, including one with the President of Guyana.

Mr. Sackville: Does the Prime Minister agree that critics of the community charge have conspicuously failed to come up with anything better?

The Prime Minister: Yes. Any alternatives would be infinitely worse, as we all know when we have been through a rating revolution. A rating revaluation based on capital values would be even worse, and a local tax would be abhorrent to most people.

Mr. Kinnock: Was not any change that the Prime Minister was to make supposed to be related to the ability to pay?

The Prime Minister: Yes, it is. Nine million people will pay less than the flat rate.

Mr. Kinnock: If that is the case, why is the right hon. Lady having such difficulty persuading her party in this House and the other place?

The Prime Minister: Perhaps the right hon. Gentleman did not notice that the Bill went through this House.

Mr. Amery: Has my right hon. Friend had her attention drawn to the practice attributed to President Reagan of consulting an astrologer before taking decisions? Has she considered appointing a resident astrologer at No. 10 Downing street? I should make it plain that I am not applying for the post.

The Prime Minister: No. I come under Libra, which is a very balanced sign.

Q2. **Mr. Robertson:** To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Robertson: Is the Prime Minister aware of the widespread dismay that there will be about the news that the United States Senate has decided to delay ratification of the INF treaty? As the Prime Minister is such a strong public supporter of the treaty, and as she knows of the damaging consequences that there would be for East-West relations if the treaty were to fail, will she use all her influence in Washington to ensure a speedy ratification of it?

The Prime Minister: I share the hon. Gentleman's view that it is important that that treaty be ratified, and I have made that view known. I understand that the Senate postponement relates to United States-Soviet Union

differences over interpretation of inspection rights. Among those are rights under the treaty to inspect missiles and missile stages leaving those missile assembly plants subject to permanent monitoring. It is not for us to interpret the treaty, but I believe that there is sufficient time for that to be properly resolved before the President visits Moscow, and I hope that the treaty will be ratified by that time.

Q3. **Mr. Oppenheim:** To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Oppenheim: Is my right hon. Friend aware that Derbyshire county council now levies the highest rate in England and Wales, but that none the less, local people in Amber Valley have rejected scare stories about the community charge and elected a Conservative council for the first time ever.

The Prime Minister: Yes. I congratulate my hon. Friend's constituents on having the wisdom to do that. It was important that they should do so, because councils elected now will be those which impose the first community charge. We have to remember that councils decide the community charge.

Rev. Martin Smyth: Has the Prime Minister had time to consider the reply that the Parliamentary Under-Secretary of State for Employment gave me last Tuesday? If so, will she confirm that it is Government policy to employ people on the grounds of merit alone? How does that square with the recent list that was put in the Library in answer to my question about employment in the Civil Service?

The Prime Minister: Of course it is our policy to employ on merit alone. There has never been any other policy.

Q4. **Mr. Gill:** To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Gill: In view of the increasing difficulty faced by young people on low incomes in obtaining homes in rural areas, will my right hon. Friend agree to review the allocation of Housing Corporation funds, only 3 per cent. of which go to rural areas, even though 20 per cent. of the population live in those areas?

The Prime Minister: I know that the proportion is very small, but the guidelines covering Housing Corporation allocations to rural areas have recently been revised. Funding will be targeted on smaller and more isolated agricultural settlements, with a view to doubling the present level of housing association provision in those areas. It is not a great deal, but it is a start. As my hon. Friend is very well aware, one also has to get planning permission for increased housing in rural areas.

Q5. **Mr. Dunnachie:** To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Dunnachie: As a result of the recent housing benefit cuts, many senior citizens in my constituency of Glasgow, Pollok and elsewhere have been asked to pay double their previous rent and rates from resources that are already overstretched. Will the right hon. Lady consider ways of ending the fear and hardship that her Government's policy has imposed upon the elderly?

The Prime Minister: If the hon. Gentleman's constituents are in local authority housing, their rent and rates are a matter for the local authority. *[Interruption.]*

Mr. Speaker: Order. Sir Nicholas Bonsor.

Sir Nicholas Bonsor: Does my right hon. Friend agree —*[Interruption.]*

Mr. Speaker: Order. This takes up time.

Sir Nicholas Bonsor: Does my right hon. Friend agree that one of the greatest threats to world peace at the moment is the amount of chemical weapons stored by the Soviet Union? Does she further agree that the use of chemical weapons in the middle east has greatly exacerbated that threat? Is she prepared to take a lead among the leaders of the free world to find a solution to this appalling threat to our future?

The Prime Minister: I agree with my hon. Friend that the use of chemical weapons in the Iran-Iraq war has been very worrying indeed, as none had been used since world war I. It concerns us all. I also agree with my hon. Friend that it is a matter of great anxiety to the West that the Soviet Union has a very large stockpile of chemical weapons and has modernised them, whereas we got rid of ours long ago. We shall use all our diplomatic skills to try to get an agreement on chemical weapons, preferably to abolish them altogether, but, as my hon. Friend is aware, verification is the most important factor. I believe that we may get further in negotiations on this matter.

Q6. **Miss Lestor:** To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

The Prime Minister: I refer the hon. Lady to the reply that I gave some moments ago.

Miss Lestor: I refer the Prime Minister to the absolutely unsympathetic and misleading reply that she gave to my hon. Friend the Member for Glasgow, Pollok (Mr. Dunnachie), when she tried to put the blame for the change in housing benefit on local authorities. I draw the right hon. Lady's attention to a letter today in *The Times* from a widow of 89 who worked until she was 75 and who, because her income was 85p over income support level, has had her housing benefit decreased by £1·25. Will the right hon. Lady confirm that that was the Government's intention, so that the poor elderly should subsidise tax cuts for the better off?

The Prime Minister: No. The amount spent on housing benefit now is about £5·3 billion, and every two households are contributing not only to keeping themselves but to keeping a third house. With regard to the recent reforms, as my right hon. Friend the Secretary of State for Social Services said:

"We do not think it right to compensate"——

Hon. Members: Reading.

The Prime Minister: Of course I am reading. I am reading precisely what my right hon. Friend said. He said:

"We do not think it right to compensate for those increases in rents introduced to coincide with the new housing benefit scheme, nor increases in rates."—[*Official Report*, 27 April 1988; Vol. 132, c. 360.]

The new system does not compensate for those latest increases. It offers transitional protection for the system just before then and for the rent and rates then levied.

Q7. **Mr. Riddick:** To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Riddick: Is my right hon. Friend aware that a brand new textile factory is being built in my constituency at a cost of £3 million, without Government subsidy? Is she aware that this is the first new textile factory to be built in the Colne Valley for over half a century? Does my right hon. Friend agree that this is an illustration of the growing confidence of industrialists in Yorkshire and of the success of the Government's economic policies in bringing jobs and prosperity back to the north of England?

The Prime Minister: I congratulate my hon. Friend on the fact that he has a new factory in his area. The textile industry is doing very well. It is effective and competitive. It produces excellent designs and is providing many jobs. As my hon. Friend knows, unemployment is now falling in all areas, including the north-west.

Q8. **Mr. Ted Garrett:** To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Garrett: Does the right hon. Lady recall that the last question that I put to her was on the subject of litter? The right hon. Lady acted with great alacrity in having a photo-call in St. James's park, which nationally achieved good results. If other hon. Members had done the same in their constituencies, it would have helped the nation to get rid of this curse. Will the right hon. Lady now turn her formidable talents to asking local authorities and the members of the farming community to stop cutting their verges surrounding our countryside? Will she try to persuade the farming community to stop cutting hedges at the same height and width, or we shall finish up with one National Hunt course?

The Prime Minister: I am sure that the hon. Gentleman agrees that the landscape that we seek to conserve has largely been created by farming. There was a period when grants were given to take hedges out, but that period has long since ceased. I agree with the hon. Gentleman that we do not want a countryside that consists largely of prairies, without many of the old hedges that we used to see.

Mr. Michael Marshall: Is my right hon. Friend aware that this week there are six Chinese parliamentary or Government delegations in London, including the Inter-Parliamentary Union group, which she met earlier today? Will my right hon. Friend take this opportunity to say what she sees as the present relationship between Her Majesty's Government and the People's Republic of China?

The Prime Minister: I saw a representative of that group today. The relationship between Her Majesty's Government and China is very good. We have the excellent arrangement of the Hong Kong agreement that we signed. Trade is increasing and we wish to increase contacts between the Chinese people and this country. Cultural contacts are also increasing.

Q9. **Mr. Fearn:** To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Fearn: Is the Prime Minister aware that the north of England tourist trade needs a boost and that if she visited the Lake district, the Yorkshire dales and north Wales that might help to boost the tourism industry of the north-west?

The Prime Minister: I agree with the hon. Gentleman that tourism creates many jobs and that we wish to increase it. I wish him well in that area.

Mr. Dunnachie: On a point of order, Mr. Speaker.

Mr. Speaker: I will take points of order after the Standing Order No. 20.

Rowntree plc

3.31 pm

Mr. Conal Gregory (York) *(by private notice)*: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on his policy towards the threatened Swiss takeover of Rowntree plc.

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): Nestlé's bid for Rowntree and Suchard's 29·9 per cent. holding are being considered in the normal way by the Director General of Fair Trading, who, under the Fair Trading Act 1973, is responsible for advising my right hon. and noble Friend on the question of reference to the Monopolies and Mergers Commission.

Mr. Gregory: The overwhelming view of shareholders and employees is that Rowntree can best develop as an independent group, and in no way does the offer from Nestlé reflect the value of Rowntree's unique range of international brands. Does the Department of Trade and Industry policy consider the Swiss bid a fair one in terms of free competition? The Swiss group can lower the drawbridge and seize in dawn raids assets built up over many years, returning to an impregnable castle. Is it reasonable to allow a predatory bidder to shelter behind its national law, which enables Swiss companies to insulate themselves against hostile bids?

Secondly, has the Department of Trade and Industry policy differed with regard to 1992, in so far as Rowntree has already got a wide policy towards that date and yet it appears that there is not a Government policy related to the European aspects of that?

I should be very grateful if my right hon. Friend could respond to those questions and the wider employment issues that are at stake in this hostile bid.

Mr. Clarke: I am grateful to my hon. Friend for letting the House have his views, as he has let my right hon. and noble Friend and myself have them over the past few days. I am sure that he will continue to do so. My right hon. and noble Friend cannot make a decision about this until he has received the advice of the Director General of Fair Trading, who will give his advice as soon as he can about the public interest in this case and the effects on competition in the United Kingdom, in particular.

With due respect to my hon. Friend, I do not think that the price being offered for the shares will be a matter for my right hon. and noble Friend or for the MMC, if any reference is made. The other matters he raised could certainly be relevant and will be considered.

The question whether Rowntree could make a reciprocal bid could be relevant in some circumstances in cases of this kind. I have no doubt that the Director General will consider its relevance in this case. There are, as a general proposition, very many cases in which bids are made and in which the company at the receiving end of the bid is in no position to make a reciprocal bid, against a small private company, for example, or one where the shares are in a few hands.

With regard to 1992, this country, like the other members of the European Community, will be made a much more attractive place for investment. We are expecting a great deal of inward investment to be attracted into the European Community, and we want to see a lot of that coming to this country, both on green field sites and in terms of acquisition. We need not fear a loss to our sovereignty through an inflow of capital because, apart from the Japanese, the British remain the principal outward investors in the world.

This case will be looked at on its merits as a single case. My right hon. and noble Friend will decide what the public interest is once he has received the advice of the Director General of Fair Trading, and I am sure that he will consider carefully all the representations of my hon. Friend and those of other hon. Members with an interest.

Mr. Doug Henderson (Newcastle upon Tyne, North): Is the Minister aware that while his Department dilly-dallies, the City speculates and a major British industry is put at severe risk? Importantly, it is the jobs in the north—in Newcastle, York and Castleford—where we really need them, that are in danger. Is the Minister further aware that the board of the company is beginning to think that it will have to compete with some of the cuts that Nestlé's has threatened, that there is an acute nervousness among the work force up and down the country, and that management and work force want a decision? If they do not have one this week, there may be no decision to make.

Mr. Clarke: My Department and my right hon. and noble Friend are certainly not dilly-dallying; we are complying with the law. The first step is to get the advice of the Director General of Fair Trading, who has to be given the time to give sensible and well-considered advice. There is no question of the whole matter being overtaken by events because, for example, were a controlling interest to be acquired in the meanwhile, if a reference were made to the Monopolies and Mergers Commission there would be powers to require a subsequent disinvestment. Therefore, there is no danger of a fait accompli being presented to us all. The fact is that this matter is following its ordinary course.

I understand the uncertainties among the work force. Whenever there is a question of a merger or a takeover, uncertainty is always bad for anybody and unsettles people. There is no immediate and obvious risk to jobs because most people do not think of acquiring companies within the EC in order to move manufacturing and jobs outside the EC. That would be somewhat contradictory. I ask the hon. Gentleman to bear in mind that Nestlé's is already a major investor and employer in Britain, and a welcome one. It employs about 10,000 people, the bulk of them in the north of England and Scotland.

Mr. Leon Brittan (Richmond, Yorks): Does my right hon. and learned Friend agree, however, that if there were to be any question of disinvestment in the future, that would be immensely disruptive, so there is some urgency in the matter in view of the share purchases that are taking place extremely actively at the moment, and that, while the normal procedures have to be followed, they can and should be expedited in this case?

Mr. Clarke: I agree entirely with my right hon. and learned Friend. Plainly, everybody wants the uncertainty brought to an end as quickly as possible and any subsequent order to disinvest could be disruptive. We are awaiting the advice, of the Director General of Fair Trading, who has had the matter in his hands for only the last week. I am sure that he appreciates the urgency of

putting forward advice, and my right hon. and noble Friend will respond as quickly as possible. The matter should be sorted out within a reasonable time.

Mr. Bruce Millan (Glasgow, Govan): Is the Minister aware that I have a constituency interest because Rowntree's Gray Dunn factory is located in Glasgow and there is apprehension there, as elsewhere, about the employment implications of any takeover? The Minister mentioned new investment in the United Kingdom, but what is involved here is not new investment but a straight takeover. It is another case of a foreign competitor attempting to swallow up a major British company. It will be completely unacceptable if that is allowed to happen without a reference to the Monopolies and Mergers Commission.

Mr. Clarke: I have already said that I understand how worrying such uncertainty is for people who work for a major company. That is why I have just agreed with my right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan) that we all wish to see a decision arrived at as quickly as possible, but that has to be as quickly as the law allows, given the need to wait for the advice of the Director General.

Leaving aside this case, I do not agree with the right hon. Gentleman's broad proposition about foreign predators taking over British companies. The British economy benefits from the fact that we are open and welcoming to inward investment. We also benefit greatly from the outward investment. The Labour party can never make up its mind. When there is British investment overseas it says that jobs are being exported, and when there is investment in Britain it says that wicked foreigners are taking over our firms. The right hon. Gentleman might work on the Swiss trade unions to see whether they will agree with his party and start complaining to the Swiss about the export of jobs.

Mr. Patrick Thompson (Norwich, North): In considering the representations, will my right hon. and learned Friend take seriously the concern which has been expressed by many of my constituents in Norwich, North who work in the Rowntree factory in Norwich? Will he consider carefully the representations which have been made to him today and earlier about possible reference to the Monopolies and Mergers Commission and, indeed, about the asymmetry between the position in Switzerland and that in this country?

Mr. Clarke: I can assure my hon. Friend, as I have assured hon. Members on both sides, that we certainly will. Obviously we must have a decision as quickly as possible about where the public interest lies. As I have said, differences between Swiss law and British patent law may be relevant in some circumstances, although with many takeover bids there is no prospect of a reciprocal bid by the company at the receiving end.

Mr. Malcolm Bruce (Gordon): Is it not a fact that if a British company chose to make a bid for Nestlés, the Swiss Government would block it, and that if the takeover goes ahead it will not be reversible? Will the Minister make it clear that the takeover of Rowntree involves not just a loss of jobs in the north of England but the loss of a corporate headquarters, and that regional policy demands that corporate headquarters should be retained in the regions? Should not that be a factor to be taken into account by the Monopolies and Mergers Commission?

Mr. Clarke: I will check, but I think that the hon. Gentleman's view on Swiss law is wrong. I do not think that the Swiss Government would step in to stop any takeover. There are curious features in Swiss law which restrict the ability of foreign companies to buy Swiss companies when the Swiss company is hostile. So far, I have been able to trace more British acquisitions of companies in Switzerland than Swiss acquisitions of companies in Britain in 1987.

All this is leading to, not a decision on my part—because I do not take it—nor by my right hon. and noble Friend but simply a request to the House to understand that the legal position is that we must consider this case on its merits and decide what the public interest is. My right hon. and noble Friend will decide that as quickly as he can once he has the advice of the director general.

Sir William Clark (Croydon, South): My right hon. and learned Friend should not be stampeded into a decision on this important matter. Is he aware that Nestlé has its headquarters in Croydon? As he rightly says, it is a very good employer, employing more than 10,000 people in this country. Does he agree that the amount of overseas investment that our industrialists have made overseas, particularly in America and Europe, has not only boosted the invisible earnings of this country but has also given us an entree into the export markets of other countries? Does he agree that it would be a great mistake to hamper the mobility of investment because that is the only way to keep the economy strong?

Mr. Clarke: My hon. Friend has made an authoritative and clear statement on the principles that should guide us and on the benefits which flow from an open investment policy, subject to the provisions of the fair trading legislation which will have to apply in this case. He has also identified the headquarters of the company; that will solve a mystery for a large number of people. Most of my constituents thought that the company was called "Nessalls" and did not realise that it was a foreign company until the fuss suddenly arose.

Mr. Merlyn Rees (Morley and Leeds, South): Is the Minister aware that some of us, with significant numbers of employees of Cadbury Schweppes plc in our constituencies, have been written to by Sir Adrian Cadbury, who has pointed out that not only may irreversible decisions be taken about Rowntree, which concerns us much in Yorkshire, but possibly similar decisions about Cadbury——

Mr. Speaker: Order. The question is about Rowntree.

Mr. Rees: I know that it is in Croydon, but Cadbury is in my constituency.

Mr. Speaker: The private notice question is about Rowntree, not Cadbury.

Mr. Clarke: If chocolate is encompassed vaguely by the exchange, Mr. Speaker, I can tell the right hon. Gentleman that my right hon. and noble Friend decided this morning not to refer to the Monopolies and Mergers Commission the General Cinema stake in Cadbury because there seems to be no threat to competition or to the national interest

[Mr. Clarke]

in that bid. That is a coincidence. Apart from the fact that both companies make chocolate, there is no link between them. The two cases will be considered and decided on separately. The decision on Rowntree will be made when we have received the advice of the Director General of Fair Trading.

Mr. Tim Smith (Beaconsfield): Is not the key fact in all this the information that my right hon. and learned Friend gave the House earlier—that after nine years of rising overseas investment, the United Kingdom is now the second largest overseas investor after Japan? Should we not think carefully before taking action that might prove wholly counter-productive, leading possibly to an international investment protection war?

Mr. Clarke: I agree with my hon. Friend. Nothing could be more absurd than the general proposition that British capital should not be invested in foreign firms, or that foreigners should not be allowed to invest here. That would do a great deal of damage. On the other hand, the British Government must look after the national interest by determining what is the public interest in a particular case and what is the effect on competition in the British and European market of any proposed merger. That is what we shall do in each case, without being guided by national prejudice.

Mr. Geoffrey Lofthouse (Pontefract and Castleford): Is the right hon. and learned Gentleman aware that I have a constituency interest in an area that has lost its major industry—mining? The Rowntree factory in my constituency is one of the major employers, and the vast majority of the work force there are very concerned.

Is the right hon. and learned Gentleman also aware that, at a meeting last night, the chairman of Nestlé failed to give any guarantee that there would not be job losses? If he cannot give such a guarantee to the director general, and if jobs will be lost, is that against the public interest, and will the Minister refer the case to the MMC?

Mr. Clarke: All these comments will be borne in mind by those who have to advise and then take the decision. As I have said, it should not be automatically assumed that there is a threat to jobs in any particular bid—certainly not jobs in general. There have been large job losses in acquisitions and mergers between British companies in this country. All companies, regardless of ownership, have to make sure that they make and keep themselves cost-effective in the European market in the sort of goods we are talking about. The Government must encourage the freest possible movement of capital, but make sure that the public interest is not being threatened by any acquisition, from whatever source.

Mr. Michael Heseltine (Henley): Is my right hon. and learned Friend satisfied that the guidelines issued to the monopoly and mergers operations are now sufficient to relate to the target of 1992, by when the European market is scheduled to be completed? Will he agree that in any revision of any guidelines we need to be concerned with fairness in the market place? It is very hard to square fairness to compete within the market place with the fact that British companies can be acquired by Swiss companies but it is difficult for the reverse process to take place.

Mr. Clarke: We have just issued a recent document on monopolies and mergers policy, which I am sure my right hon. Friend has seen. We are always open to proposals that it should be revised. The powers that we retain are the broadest possible and necessary ones to look after the public interest as, in the end, my right hon. and noble Friend determines it. It is an inevitable consequence—and, in my opinion, a desirable one—of 1992 that there will be an increase in the flow of inward investment into this country. Indeed, we shall be competing for the largest possible share of that inward investment with the other 11 Community members.

The position vis-à-vis reciprocity and Switzerland can be relevant in some circumstances. However, it is arguable that it is the Swiss who are imposing a burden upon themselves by, to a certain extent, closing their market as a result of second world war legislation. No one wants to introduce similar legislation in this country: it would cut out desirable inward flows of investment.

Mrs. Alice Mahon (Halifax): Does the Minister appreciate that the consideration of jobs is paramount in towns such as mine, which is the home of Quality Street? Does he realise that Rowntree has been an integral part of the community, as well as Mackintosh? The regeneration of my town is built around the Civic Trust initiative, which incorporates Quality Street, so will he give an early decision on this? The anxiety felt by the employees of Rowntree in Halifax is unbelievable. They have already gone through the trauma of the early 1980s, when the work force was cut by 1,500. There is real fear in Halifax that we could lose our last large private employer.

Mr. Clarke: The hon. Lady correctly expresses the anxiety that is undoubtedly felt in Halifax. I can assure her that it is appreciated by my right hon. and noble Friend and everyone involved in the decision. I agree with her that we need the quickest possible end to the present uncertainty. The general fear that this automatically leads to job losses should not be unnecessarily aroused; nor need the reference to an overseas company alarm people when they realise that it is based in Croydon and is the owner of such well-known names as Crosse and Blackwell and such British products as Branston pickle. Therefore, there is room for a broad economic and public interest judgment to be made in this case, and there is no need for needless fears to be roused excessively at this stage.

Mr. Kenneth Warren (Hastings and Rye): I recognise that the Office of Fair Trading needs time, but may I encourage my right hon. and learned Friend to get the director general to burn a little midnight oil, because he is taking rather a long time to come to a decision about a contentious bid? In such contentious bids, is there not a case for examining the legal position to see whether we can change the system whereby predatory trading can continue on the stock exchange while the Office of Fair Trading is considering a matter?

Mr. Clarke: I shall draw my hon. Friend's remarks to the attention of the director general, although I think that he is being a little severe. If the director general has had the offer for over a week, it is for only a little over a week, and I am sure that he appreciates the need to give advice as soon as he reasonably can; but he must study the matter. I have already said that any trading on the stock exchange does not exclude, if necessary, the exercise of the necessary

powers in the end if, after reference, it is proved to be contrary to the public interest. The recent reference of the Kuwaiti acquisition in BP was after the acquisition of a substantial number of shares. It does not bind the hands of those who ultimately have to decide what to do in the light of any ruling from the Commission.

Mr. Doug Hoyle (Warrington, North): Does the Minister realise that there are 13,000 employees who are extremely concerned about this? Does he realise that the brands are very similar, so if the merger goes ahead rationalisation is bound to take place? Is he not taking a cavalier view of the Swiss legislation? If Rowntree cannot make a bid for Nestlé, the same should apply in this country. Does not the Minister realise that if the bid for Cadbury Schweppes goes ahead, along with that for Rowntree, 90 per cent. of our chocolate confectionery production will be owned by American or Swiss interests? Does not that concern him?

Mr. Clarke: I hope that I have made it clear that I entirely share the concern. The law does not allow me to announce any decision on the part of my right hon. and noble Friend. It would not be right for my right hon. and noble Friend to reach a decision, which he has not, until he has the advice of the director general. As I have said, the main purpose of acquisition by, say, Japanese companies in this country is not to move employment abroad but to provide a base for manufacturing and employment in this country. I am merely making propositions that stop people raising needless fears about foreigners buying our companies. I am a little cavalier about Swiss legislation because I am a British legislator, not a Swiss legislator, and it is not within my power to reform the law of Switzerland.

Mr. Patrick McLoughlin (Derbyshire, West): Is my right hon. and learned Friend aware that as the Nestlé company is mainly a grocery company and Rowntree is mainly a confectionery company there is no clash of interests? Is he also aware that the Nestlé company has operated in this country for over 120 years and is the employer of more than 10,000 people here?

Mr. Clarke: I am aware of that, which is why I am relieved that nobody has yet demanded that Nestlé disinvest itself of what it already has, or shed the employment in this country. My hon. Friend has made some valid points, which no doubt will be considered along with the counter-points that some of my hon. Friends have made before my right hon. and noble Friend eventually makes his decision.

Mr. Dafydd Elis Thomas (Meirionnydd Nant Conwy): What does the term "public interest" imply when the Minister uses it in this context? Does it imply the regional policy considerations that have been mentioned, or is it a much broader based appreciation, and not the kind of strange English nationalism which we have seen as part of the debate in the House and in the media?

Mr. Clarke: "The public interest" is, fortunately, a broad brush description and no doubt it could, if necessary, be used to encompass almost any decision that one pleased. However, Governments cannot act arbitrarily, so we have issued guidelines about the basis on which we think decisions should be taken in these matters. I commend the recent publication on monopolies and mergers to the hon. Gentleman, and he will see that it is free of English nationalist or any other prejudice of the kind that he fears.

Sir Giles Shaw (Pudsey): I declare an interest as I had 19 years' employment with Rowntree. I fully understand the point that my right hon. and learned Friend has made about the difficulty of arriving at any view until proper consideration has been given to the matter. Will he recognise, in his comments about reciprocity between Swiss investment and that in the United Kingdom, that a hostile bid in Switzerland would be blocked? There can certainly be agreed investment—that is no problem. Insofar as the Rowntree company has had two predatory investments made by Swiss companies, both of which are regarded as hostile, the situation is clearly unfair. Does my right hon. and learned Friend agree that, in regard to his 1992 campaign to provide a base within which the United Kingdom can take its full share of the European opportunity, such hostile bidding under present conditions is little short of uncompetitive?

Mr. Clarke: I know that my right hon. Friend made his career in Rowntree before he came to the House. He is well informed about the company, and I understand that he is also well informed about Swiss law. He states the position accurately. The points he made about fairness, which were also made by my right hon. Friend the Member for Henley (Mr. Heseltine), are relevant in some circumstances. That is one of the principal matters that the director general is considering, and on which we shall have to reflect when we get his advice.

Mr. Tony Blair (Sedgefield): Does the Minister realise that at the very least a reference to the Monopolies and Mergers Commission allows some pause for scrutiny and for the public interest considerations to be examined? Will he accept that we are not talking only about one company; we are talking about the future of an entire region and whether Rowntree remains one of the few independent companies based in the north? Does he know that more than 12,000 people are employed in the company, and is it not high time that the views of the thousands of people who work for the company are held in as much account as those of a score of institutional power brokers in the City of London? Does he agree that, in the event of a hostile bid, Swiss law does not allow a reciprocal bid in the same way as it is allowed under British law?

Does the Minister realise that, as we are now in the run-up to 1992 and we are starting to see the profound pervasive impact of that in every area of industry and commerce, and as in the past two years nearly 70 Euro-mergers have taken place across the frontiers of Europe, this decision will mark a watershed in Government policy? When will the Government understand the critical importance of a coherent industrial policy for Britain which does not put the folly of the free market before the interests of the nation?

Mr. Clarke: First, I disagree with the hon. Gentleman that a reference to the Monopolies and Mergers Commission would provide a pause. We have to decide whether to refer the matter to the Monopolies and Mergers Commission. Many hon. Members who have taken part in these exchanges have pointed out the need to end uncertainty as soon as possible, so a decision is

[Mr. Clarke]

required on whether to refer the matter in the public interest. It is no good putting it off. Delay would be considerably unsettling.

I agree with the hon. Gentleman about the views of employees, and among all the considerations that we shall take into account obviously my right hon. and noble Friend will have regard to the views that have been put forward today by those hon. Members who represent the employees of the company. All that will be relevant to the consideration that we have to make as quickly as possible.

I shall not repeat what I have already said about 1992, but I think that the hon. Gentleman must think through what he means by 1992. In the run-up to 1992 it will be more difficult, not less difficult, to take a closed, little England view of outward investment, or inward investment into this country. It will be a long and difficult task, but I would commend to Opposition Members a little thinking through of the opportunities of 1992, and the change in the economic climate that 1992 will produce.

For that reason, I do not accept that this is a watershed decision for the future of industrial strategy. That would mean that we should all be seized with excitement about whether it is right or wrong for foreigners to own our chocolate companies. It is an extremely important decision from the point of view of those who work in the chocolate industry, the consumers and the national economy. It will have to be taken dispassionately on the best advice that we can get and it will be taken by my right hon. and noble Friend when he has the advice of the Director General of Fair Trading.

Several Hon. Members *rose*——

Mr. Speaker: Order. I have carefully noted those hon. Members who have not been called. Perhaps there will be a further opportunity tomorrow to discuss this subject during Trade and Industry questions, and I shall bear them very much in mind.

William Calvert

3.59 pm

Rev. Ian Paisley (Antrim, North): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the refusal of the Northern Ireland Office to permit William Calvert out on parole from prison to attend his father's funeral."

The matter is specific and important. This prisoner has almost finished serving his sentence. Next month he will be out on parole. Unfortunately for him and his family, his father died very suddenly. An application was made to the Northern Ireland Office for parole so that he could attend his father's funeral. The Northern Ireland Office sat on that application and did not take a decision until this morning, although the funeral is to take place this afternoon.

It is terrible that the Minister of State, Northern Ireland Office, the right hon. Member for Tonbridge and Malling (Mr. Stanley), who is seldom in the Province of Northern Ireland, who is obsessed with his own safety when he is in Nothern Ireland and who has no concern, on humanitarian grounds, for a sorrowing family, did not have the decency to inform the family yesterday that young Calvert would not be released. I fail to understand why a prisoner who is to be paroled next month is not to be allowed out of prison to attend his father's funeral.

Mr. Speaker: The hon. Member for Antrim, North (Rev. Ian Paisley) seeks leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely,

"the refusal of the Northern Ireland Office to permit William Calvert out on parole from prison to attend his father's funeral."

I have listened with concern to what the hon. Member has said, but he well knows that I have to decide whether applications under Standing Order No. 20 should take precedence over the orders set down for today or tomorrow. I regret that I do not find that his application meets the criteria under Standing Order No. 20. I cannot therefore submit his application to the House.

Points of Order

4.2 pm

Mr. Jimmy Dunnachie (Glasgow, Pollok): On a point of order, Mr. Speaker. Due to the inaccurate and misleading answer that the Prime Minister gave me today, is there nothing in Standing Orders to ensure that she should give more realistic and truthful answers to Members' questions? The housing benefit cuts are the responsibility of this Government, not of local government.

Mr. Speaker: The hon. Gentleman may possibly be right, but that is not a matter for me. I understand that he is dissatisfied with that answer, but I cannot help him because it is not a matter of order. If the question is asked again—and there will be other opportunities to raise it—the hon. Member may receive a different answer.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): On a point of order, Mr. Speaker. It may be that you

have been ill advised, as we all are from time to time, but bearing in mind the importance of the confectionery industry in my constituency, easily the biggest employer, and bearing in mind——

Mr. Speaker: Order. I know it is difficult.

Mr. Beaumont-Dark: No, it is not difficult; it is disgraceful.

Mr. Speaker: Order. I understand the hon. Member's frustration, but he may have another opportunity tomorrow to ask questions about this subject, if he behaves himself.

Mr. Bob Cryer (Bradford, North): On a point of order, Mr. Speaker. I wish to refer to a general principle of the constitution—indeed, a convention of the constitution.

The exchanges on the private notice question demonstrated how important it is that the Secretary of State should make the decision. You consider that issues should be raised on the Floor of the House, but we were unable to question the person who is legally obliged to make decisions because the Secretary of State for Trade and Industry is in the other place. I should be grateful for your advice on how hon. Members can bring their influence to bear so that, when statements such as the one that has been made, today are made we get the organ grinder, not the monkey, and we can question the Secretary of State.

Mr. Speaker: The hon. Member knows that that is not a matter for me. The Chancellor of the Duchy of Lancaster is also a member of the Cabinet.

Mr. Peter L. Pike (Burnley): On a point of order, Mr. Speaker. If the Prime Minister found that under pressure she had inadvertently misled the House and sought your permission under Standing Orders to make a statement to correct what she had said, would you be able to provide time to allow her to do that later today?

Mr. Speaker: Any personal statement has to be cleared with me, but I am not certain that suggestions would be appropriate.

Mr. Tom Clarke (Monklands, West): On a point of order, Mr. Speaker. You will recall that in another lengthy written answer to a question from the hon. Member for Epping Forest (Sir J. Biggs-Davison) the Prime Minister used these words:

"housing benefit has been changed".—[*Official Report*, 6 May 1988; Vol. 132, c. *634*.]

Given that the Prime Minister outlined what she said were her achievements, that does not seem to be consistent with the reply that she gave this afternoon to my hon. Friend the Member for Glasgow, Pollok (Mr. Dunnachie). Taking into account your excellent interview at the weekend——

Mr. Speaker: Order. Let us not go into that, please. What is the point of order for me today? I believe the answer to the question was on Friday, not at the weekend.

Mr. Clarke: I thank you for what you have just said, Mr. Speaker, but, given that you want there to be an excellent relationship between Parliament and the people, do you accept that that also includes local government? If the Government are making it difficult for local authorities by blaming them for something with which they have had absolutely nothing to do, is it not right that you should give us your guidance on the possibility of a parliamentary debate?

Mr. Speaker: I am responsible for questions of order in the House. I cannot be held to be responsible for questions on the Order Paper, and certainly not for the answers that are given to them. That is a matter for parliamentary debate. Hon. Members must find parliamentary opportunities to raise these matters. I cannot deal with them.

Mr. Michael J. Martin (Glasgow, Springburn): On a point of order, Mr. Speaker. I heard what the Prime Minister had to say. On Saturday I heard about 30 constituents complaining about the same matter to which my hon. Friend the Member for Monklands, West (Mr. Clarke) referred.

Mr. Speaker: Order. I have just replied to the hon. Member for Monklands, West (Mr. Clarke). I, too, have constituency surgeries, but I cannot answer his question. That is not my responsibility.

Mrs. Maria Fyfe (Glasgow, Maryhill): Further to the point of order raised by my hon. Friends the Members for Glasgow, Pollok (Mr. Dunnachie) and for Glasgow, Springburn (Mr. Martin), is it not deplorable that the Prime Minister is so parsimonious with the truth that she prefers to——

Mr. Speaker: Order. I have already said that hon. Members must find parliamentary opportunities to deal with matters of that kind. They must not seek to debate them through the Chair.

Takeovers and Mergers (Employment Protection)

4.7 pm

Mr. Doug Hoyle (Warrington, North): I beg to move,

That leave be given to bring in a Bill to require consultation by employers with employees before any takeovers and mergers of companies.

It is appropriate that I should bring this proposed Bill before the House, particularly after the debate on Rowntree. My hon. Friend the Member for Bradford, South (Mr. Cryer) complained that the answers about Rowntree were given by the monkey rather than by the organ grinder. I notice that the Chancellor of the Duchy of Lancaster has departed, although this is a Bill about takeovers and mergers and employees' rights. So the monkey is not even here to listen to what I have to say about my Bill. The employees—there were 500,000 of them last year who were affected by it—will take note of the absence from the Front Bench of the Chancellor of the Duchy of Lancaster on a matter as important as this.

The Government rely solely on competition when considering takeovers and mergers. Competition, when protecting British companies, is like having an igloo in the Sahara. By allowing mergers and takeovers to continue unbridled, the Government have created a casino capitalism which is good for the predator, the speculator and the insider trader—although they came a little unstuck over the Guinness and Distillers takeover—but which is bad for Britain, for the economy, for employment and for the consumer.

For instance, last year, expenditure on takeovers and mergers was £15·4 billion. Takeovers affected 500,000 jobs, yet, there was only £10 billion investment in manufacturing industry in the United Kingdom. That figure was still 10 per cent. below the 1979 figure. Overseas investment, which is close to the Government's heart, represented £17·8 billion. There is something wrong in the portals of the City if people can find money for takeovers, mergers and overseas investment, but cannot find money for investment in this country.

Let us consider some of the mergers that have been contemplated. For example, there was the attempted takeover by BTR, which was a rusty bucket company, and of Pilkington's, one of our few world leaders in flat glass, which spent money on research and development and had its headquarters and plants in the United Kingdom; indeed, it had its headquarters in my region. That takeover was prevented only by the opposition of the employees, the trade unions and the local authorities in that area. There was no support from the Secretary of State for Trade and Industry, who refused to refer it to the Monopolies and Mergers Commission.

There has been another recent takeover attempt in my constituency—the bid by Blue Circle Cement for Birmid Qualcast, which is one of the last of our producers of consumer durables and a world leader in the manufacture of cookers and lawn mowers. That company saw off the foreign competition, yet it could have been taken over by Blue Circle, which has no expertise in the manufacture of consumer durables. That takeover was prevented only by a recount of votes, involving a few thousand votes out of many millions, yet the company could have found itself with management that has no expertise in engineering.

We have already discussed this afternoon the attempted takeover of Rowntree by Nestlé. A hostile bid could not take place in Switzerland because of the legislation, but the foreign predator may come over here and take over a successful company. It wants to do that because it has not been able to get into Europe. It wants to buy the brand names and close down many of the plants. It is also disgraceful that the bid for Cadbury by General Cinema has not been referred to the Monopolies and Mergers Commission. Once again, one of our leading companies faces the possibility of a foreign takeover.

I am concerned about the employees. The views of shareholders, even absentee shareholders, are taken into account. The views of the "hands off" financial institutions are taken into account, although they may have shares in both companies. However, the views of the company employees are not taken into account, yet those people have built up the company, created the wealth of the company. Their future and that of their families lies with the company. They are sold off with the company like cattle. It is time that that ceased.

That is why I am seeking to introduce this Bill. The employees or the trade unions representing the employees should be consulted at least 30 days before a bid is finalised. In addition, the company making the bid should justify that bid to the employees and the trade unions. The company should state its future plans, its future employment prospects and what will happen to the plants of the company that is being taken over. It must say whether it will remain a United Kingdom company, whether it will carry out research and development in this country and whether it will conduct sales from this country. An application by the employees or the trade unions for a meeting with one or both companies should be granted within 14 days, as of right. If the companies fail to comply with those conditions, the Secretary of State would block the bid.

I am asking for nothing outrageous. This is an extremely modest Bill. Similar conditions already apply in the Netherlands, where employees are consulted in this way before any bid can go ahead. The Government's consideration of such bids, purely on the basis of competition, is far too narrow. What about the consumer interest and the national interest? What about the effect on the manufacturing base of this country? All those criteria should be taken into account before any bid is allowed.

I wish to make this country less of a haven for the predator, the speculator and the insider trader. I want to protect the employee, the consumer and Britain's manufacturing base. Above all, I want the national interest to be taken into account. I have pleasure in presenting the Bill.

Question put and agreed to.

Bill ordered to be brought in by Mr. Doug Hoyle, Mr. Don Dixon, Mr. Terry Davis, Mr. Ernie Ross, Mr. Robert N. Wareing, Mr. Frank Cook, Mr. Alan Meale, Mr. Derek Fatchett, Mr. Chris Smith, Mr. James Lamond, Mr. Joseph Ashton and Mr. Michael J. Martin.

TAKEOVERS AND MERGERS (EMPLOYMENT PROTECTION)

Mr. Doug Hoyle accordingly presented a Bill to require consultation by employers with employees before any takeovers and mergers of companies: And the same was read the First time; and ordered to be read a Second time upon Friday 8 July and to be printed. [Bill 163.]

Orders of the Day

Finance (No. 2) Bill

Clauses Nos. 22, 23, 26 to 28, 31, 42, 49, 91, 98, 127 and 128 and Schedule No. 7.

Considered in Committee. [Progress 9 May.]

[MR. HAROLD WALKER *in the Chair*]

Ordered,

That the order in which the remaining proceedings in Committee of the whole House on the Finance (No. 2) Bill are to be taken shall be Clause 91, Schedule 7, Clause 127, Clause 128, Clause 42.—*[Mr. Brooke.]*

Clause 91

ASSETS HELD ON 31ST MARCH 1982

4.15 pm

Mr. Nicholas Brown (Newcastle upon Tyne, East): I beg to move amendment No. 13, in page 75, line 16, leave out '1982' and insert '1974'.

The Chairman of Ways and Means (Mr. Harold Walker): With this it will be convenient to take amendment No. 14, in page 75, line 20, leave out '1982' and insert '1974'.

Mr. Brown: With the leave of the Committee, I shall seek to withdraw amendment No. 13. However, the Committee is entitled to a brief explanation of the reason. We tabled the amendment, not because we believed——

The Chairman: Order. It might be better if the hon. Gentleman were to speak to the amendment and then ask the leave of the Committee to withdraw it.

Mr. Brown: I shall do precisely that. The insertion of the date 1974 does not set out the Labour party's ultimate response to the Government's proposals. We hoped that the amendment would be a device whereby we could have discussed matters of substance on the Floor of the House first, before the Committee moved on to discuss other amendments, particularly those in respect of line 38 which are matters of detail that should have been more properly discussed in Committee. However, I understand that the Government wish to discuss matters of principle in a clause stand part debate. It would be rather odd, therefore, if Opposition Members were to speak to the amendment while Conservative Members spoke in the clause stand part debate. It would be for the Committee's convenience to have just the one debate and, to help the Committee in that respect, I shall seek to withdraw my amendment.

The Chairman: Perhaps I should first put the Question to the Committee and then come back to the hon. Gentleman.

The Paymaster General (Mr. Peter Brooke): In view of the spirit of the speech made by the hon. Member for Newcastle upon Tyne, East (Mr. Brown), I shall not delay the Committee long, but my hon. Friends would not wish me to let this moment pass without drawing attention to 1974, the date that the Opposition selected as the fulcrum of their amendment. It shows either, in the case of the dog, a return to his vomit or——

Mr. Nicholas Brown: With the greatest respect, this is not in the spirit of what I have just said.

Mr. Brooke: —it is a return to one of the greater moments of the Labour party. I remember that 1974 was the year in which I opposed the right hon. Member for Islwyn (Mr. Kinnock) in his former constituency.

I would be the last to suggest that the inflation engendered by the Labour Government of 1974 was of a quality such as that which brought down the Roman empire, and which is recorded in the pages of Suetonius and Gibbon, but——

Mr. Nicholas Brown: This is most ungracious. There was no capital gains tax in the Roman empire. This cannot possibly be relevant.

Mr. Brooke: I am concluding my remarks. It would not be right to let this moment pass without drawing attention to the date that the Opposition selected. I am only sorry that they will not have a chance to develop their reasons for selecting it.

The Chairman: The hon. Member for Newcastle upon Tyne, East (Mr. Brown) has already sought leave to withdraw the amendment. Does he have the leave of the Committee to withdraw the amendment?

Hon. Members: Aye.

Amendment, by leave, withdrawn.

Mr. John Butterfill (Bournemouth, West): I beg to move Amendment No. 15, in page 75, line 16, after '31st March 1982' insert

'or which was acquired after 31st March 1982 with any chargeable gain arising on the corresponding disposal being held over under section 79 of Finance Act 1980 or rolled over under section 115 of the Capital Gains Act 1979.'.

The Chairman: With this it will be convenient to take the following amendments: No. 5, in page 75, line 38, at end insert—

'(5) Where in the case of a disposal of assets which were acquired after 31st March 1982—

(a) the person making the disposal had acquired the assets by applying the proceeds from a disposal before 6th April 1988 or other assets which he held on 31st March 1982 or had disposed of before 31st March 1982 and the consideration for that acquisition was reduced under section 115(1)(b) of the Capital Gains Tax Act 1979, or

(b) the person making the disposal had acquired the assets before 6th April 1988 from another person who held the assets on 31st March 1982 and the consideration for that acquisition was reduced under section 79(1) of the Finance Act 1980,

it shall be assumed that on acquisition those assets were sold by the person making the disposal, and immediately reacquired by him, at their market value on that date.'.

No. 7, in page 75, line 38, at end insert—

'(4A) Where in the case of a disposal of assets which were acquired after 31st March 1982—

(a) the person making the disposal had acquired the assets by applying the proceeds from a disposal before 6th April 1988 of other assets which he held on 31st March 1982 or had disposed of before 31st March 1982 and the consideration for that acquisition was reduced under section 115(1)(b) of the Capital Gains Tax Act 1979; or

(b) the person making the disposal had acquired the assets before 6th April 1988 from another person who held the assets on 31st March 1982 and the consideration for that acquisition was reduced under section 79(1) of the Finance Act 1980

[The Chairman]

it shall be assumed, if the taxpayer so elects, that on acquisition those assets were sold by the person making the disposal, and immediately reacquired by him, at their market value on the day of acquisition.'.

Mr. Butterfill: I congratulate the Government on their proposal to rebase capital gains tax to 1982. It is an excellent decision and it will be widely welcomed in the business community, having regard to the enormously damaging inflation that took place before that time and the fact that gains which accrued arose largely out of inflation rather than any real gain.

There is, however, an anomaly here. Chargeable transactions that took place between April 1982 and April 1986 will be taxed retrospectively on the gain which occurred before 1982 if the gain was deferred through roll-over relief. Perhaps my hon. Friend did not intend that to happen. I hope that, if he did intend it, he might reconsider the point. It seems rather unfair that people who legitimately took advantage of roll-over relief should have the base of their gains taken back to 1965, whereas all other gains will be rebased at 1982.

I simply ask my hon. Friend the Paymaster General whether there is any possibility of his reconsidering the matter.

Sir William Clark (Croydon, South): I support my hon. Friend the Member for Bournemouth, West (Mr. Butterfill). There is an anomaly here. Like him, I welcome the change of date to 1982. The high rate of inflation from which we suffered occurred before 1979-80, so capital gains tax had become a tax on inflation. I should have thought that all fair-minded people would welcome the 1982 valuation.

A person who acquired an asset in 1970, for example, and sold it after 1982 with roll-over relief will find that the roll-over provision is now ignored in regard to the capital cost of the asset. If somebody sold an asset, such as a farm, and there was no roll-over relief, he would have paid CGT at 30 per cent. With roll-over relief, however, the rate is bound to be 40 per cent. That is a second anomaly.

A third anomaly, which I am sure my right hon. Friend the Chancellor did not intend, has been drawn to my attention by the Historic Houses Association. It involves the maintenance fund for heritage property. If roll-over relief is not allowed, the fund will pay at 35 per cent.

Will my hon. Friend reconsider this matter? I do not suggest for a moment that my amendment is worded correctly, but perhaps he will re-examine the matter to see whether the anomaly can be ironed out. If the Bill must stay as it is, I do not think that the rate of CGT should exceed 30 per cent., for a rate higher than that would create some hardship.

Mr. Tim Boswell (Daventry): I commend the spirit of the amendment, and my own. Although the amendments were drafted in different places, they seem to have come to almost the same wording.

This matter was drawn to my attention by the National Farmers Union. The value of land rose sharply, almost as soon as capital gains tax was introduced in 1965, until 1982, since when it has virtually plateaued. Many farmers, especially those who have made partial disposals or changed farms, rather as other business men may have exchanged assets, perhaps as part of an expansion scheme, will find that they are caught.

Retrospection always surfaces in Finance Bills. I agree that there is no perfect solution. I remember spending many years going into Finance Bills trying to work out formulae for what was retrospective, what was retroactive and what was merely unfortunate. Here, however, if an asset holder disposed of his property before 1982, he would be liable to capital gains tax, but those who disposed of an asset between 1982 and the Budget would have received at least indexation relief for any gains after 1982 and they would have known the situation that applied.

People with roll-over, however, and no anticipation of what would happen, let alone the fact that they now come into a higher rate of tax, are caught retrospectively and, I hope, accidentally. The Treasury Bench may want to say something about the welcome improvements that have been made in retirement relief. In extremis, one can always die and avoid the tax that way, but there are people who will be caught.

I declare a personal interest, not least because I happen to be my own constituent. Although my circumstances are not confined to me, they illustrate the extreme unfairness of the present arrangement. My family purchased a farm in 1967 so, for practical purposes, we are virtually contemporary with CGT. A motorway is being constructed across the farm. In January, I had notice to treat on a portion of my land, which is being taken. That pre-dated the Budget and falls within the spirit of my comments about the past. Unfortunately, on the second and larger portion of the take, we received a compulsory purchase order on, if my memory is correct, 19 March 1988.

There was therefore an enforced disposal which took place after the Budget, which could not avail itself of the relief that would have taken effect on or after 6 April.

I cannot believe that any sane or properly advised person would have conceived of disposing of their property in those circumstances. Making a more general point, it merely instances the way in which compulsory purchase orders still give rise to resentment and to an extreme case of the anomaly. I would not have dreamt of mentioning that example had there not been the broad and general issue to consider, and one is entitled to return to it.

There are people who have acted in good faith. They have moved from one farm to another, or from one business to another, and the value of their assets has expanded. Only in the case of those who happened to have different assets acquired after 1982 with roll-over or in special circumstances such as those I have mentioned—where I would, in essence, have to acquire an asset in order to roll over to it—would such difficulties arise. I commend the amendments to the Committee and invite the Treasury Bench to think again.

4.30 pm

Mr. Brooke: Amendment No. 15, moved by my hon. Friend the Member for Bournemouth, West (Mr. Butterfill), seeks to give the benefit of rebasing where tax has been deferred on the occasion of a gift or the replacement of business assets between 1982 and 1988. Unlike amendment No. 5, spoken to by my hon. Friend the Member for Daventry (Mr. Boswell), and amendment

No. 7, spoken to by my hon. Friend the Member for Croydon, South (Sir W. Clark), amendment No. 15 does not appear to involve exempting the whole deferred gain. However, it does not spell out what it would do instead. If my hon. Friend the Member for Bournemouth, West will allow me, I will turn to amendments Nos. 5 and 7.

The amendments of my hon. Friends the Members for Daventry and for Croydon, South relate to situations where, under the Bill, the benefit of rebasing will not be available. The approach in the Bill is that rebasing will apply where, after 5 April 1988, the taxpayer disposes of an asset which he held in 1982 or acquired by a no-gain, no-loss transfer from someone who held it then. However, rebasing will not be available where, between 1982 and 1988, tax was deferred under the provisions for gifts and for replacement of business assets. That is because the taxpayer would be disposing of an asset which he acquired after 31 March 1982.

There are arguments of principle both ways. On the one hand, there is the argument underlying the approach in the Bill, which is the comparison with people who in the same circumstances opted not to defer tax between 1982 and 1988. They will have paid tax on their full gains at the time without the benefit of rebasing. It is questionable whether those who deferred paying tax should benefit compared with those who paid their tax at the time. The opposite argument, which underlies the amendments, is that the full benefit of rebasing will be available where the tax deferral took place before 31 March 1982. Therefore, to give no benefit from rebasing, where the deferral was between 1982 and 1988, could be seen as a little harsh.

However, my hon. Friends' amendments would be unjustifiably generous. They would exempt from tax the whole of the gain deferred between 1982 and 1988 and not just the pre-1982 component. The deferred gain will often contain a large post-1982 element and it would be wrong to exclude it from tax. To do so would be unfair to the majority of capital gains tax payers who, when disposing of assets acquired before 1982, would have their post-1982 gains taxed in full. There is no reason to exempt the post-1982 gain.

As to whether the pre-1982 gain should be exempted, there would frequently be acute difficulties in trying to identify precisely the pre-1982 component in the deferred gain. Even in the most straightforward case, the necessary records may no longer be available. Many cases will not be straightforward. It would be necessary to cater, for example, for the situation where a business asset sold in 1983 was subsequently replaced by a number of replacement assets, some of which have since been sold, others replaced, and some still owned by the taxpayer. Trying to unscramble all that in an attempt to identify the precise pre-1982 component in any deferred gain still in charge would involve long and complicated rules and impose a major burden of compliance on taxpayers. It would also be impossible to observe if, as would often be the case, records were not complete.

Mr. Nicholas Brown: I am following the Minister's remarks with interest. In order to extend my knowledge of these matters, can he say how much it would cost the Government to accept his hon. Friend's proposals?

Mr. Brooke: I will, if I may, return to that matter later.

Mr. Boswell: If I may follow through the argument advanced by my right hon. Friend concerning the difficulties of computing the pre-1982 component, I readily concede that it would add another line to the calculation. However, in certain cases assets would have to be valued back to their more speculative 1965 values. If that can be calculated in principle, why cannot the 1982 value also be calculable?

Mr. Brooke: I hear what my hon. Friend says, but perhaps I may continue with the point that I was adducing.

My hon. Friend the Member for Daventry will appreciate that there are real difficulties. If anything needs to be done, it must be made simpler and much more practicable. The amendments of my hon. Friend avoid those practical difficulties simply by excluding the whole of any deferred gain from tax. As I have said, that goes too far. I may say, in reply to the hon. Member for Newcastle upon Tyne, East (Mr. Brown), that the figure he seeks is essentially unquantifiable but, on the basis of my hon. Friend's amendments, the cost could be up to £50 million. In any event, the amendments go too far and would often exempt from tax large real gains made since 1982. At the same time, the amendments would give no benefit where there has been a succession of deferrals between 1982 and 1988—for example, where a business asset had been replaced by another asset which had itself been replaced.

I have listened carefully to the points made by my hon. Friends, and between now and Report I shall consider sympathetically whether there is anything that we can do in the circumstances that have been described.

Sir William Clark: My right hon. Friend spoke of the difficulties of defining the pre-1982 component and the roll-over relief, but the roll-over relief could be calculated. If it had been given on a profit, say, of £10,000, we know there would have been a deferment of £3,000 capital gains tax. I anticipate no administrative difficulty in assessing the amount. Nevertheless, I am delighted that my right hon. Friend will look again at this matter.

Mr. Butterfill: I am grateful for the sympathetic way in which my right hon. Friend has listened to my comments, and I am grateful also for the contributions made by my hon. Friends. A number of important points have been made, and I am grateful to my right hon. Friend for the helpful way in which he has responded to them. I hope he will look carefully at the situation in which the actual rate of tax could be increased from 30 per cent. to 40 per cent. As was said, that could create a most unfair anomaly for many taxpayers. However, in view of my right hon. Friend's remarks, I beg to ask leave to withdraw my amendment.

Mr. Brooke: I should not want to leave the debate on this amendment with my hon. Friends under any misunderstanding about the terms in which I have responded. I have said that I will look sympathetically at the points made, but I am not responding to the questions of detail—particularly that relating to the 30 per cent. tax rate.

As to the point made by my hon. Friend the Member for Croydon, South, it is in cases where the asset has been dismembered that complications arise in identifying the pre-1982 component.

Sir William Clark: Surely, if there has been a multiple acquisition of assets and the roll-over has gone on and on, the Inland Revenue has the record.

Mr. Brooke: The Inland Revenue, as my hon. Friend says, knows how much gain is being deferred. What the Revenue does not know—I am sorry if I did not manage to communicate this in my earlier remarks—is how much is attributable to the period before 1982.

Mr. D. N. Campbell-Savours (Workington): Could the Minister put a cost or value on the amendment that we have been discussing?

Mr. Brooke: I refer the hon. Gentleman to my earlier answer to his hon. Friend the Member for Newcastle upon Tyne, East.

Amendment negatived.

Clause 91

ASSETS HELD ON 31ST MARCH 1982

Question proposed, That the clause stand part of the Bill.

Mr. Brooke: When the Government came into office in 1979, capital gains tax was unjust and damaging. Its most inequitable feature was that it taxed inflationary gains: it was in part a tax on maintaining the real value of the taxpayer's original capital. It was for that reason that we introduced indexation relief in 1982. In 1985, the indexation provisions were extended to give full relief for the effects of inflation after 1982. But at that time it was not possible to remove the charge on the inflationary gains of the 1960s and 1970s. The cost was too high.

My right hon. Friend's careful stewardship of the public finances has enabled him to tackle the problem in his Budget this year. That is what clause 91 does. Ideally, we would have extended indexation back to 1965, but when we looked into it, we found major difficulties. Quite often, the necessary records would no longer be available, particularly with shares, where there are provisions for pooling the cost of shareholdings built up in stages, and the precise cost and date of acquisition of a particular block of shares may well not have been retained. Moreover, extending indexation back in this way would have involved a very substantial compliance burden on taxpayers, who would often have had to undertake a good deal of work to put capital gains computations on the new basis; and it could have added significantly to the Inland Revenue's staff costs. Those practical problems ruled out the possibility of indexing the system back to 1965.

Instead, what clause 91 and schedule 7 do is bring forward the base date for computing capital gains from 1965 to 1982. This means that capital gains and losses will be confined to gains and losses arising since 1982, and of course only to real changes since then.

As in 1965, when capital gains tax was introduced, there are special rules to prevent taxpayers from being taxed on a larger gain, or given relief for a larger loss, than they have actually made. One example might be where a shareholding was bought for, say, £10,000 in 1975; was worth £2,000 in 1982; and is sold in 1988 for £15,000. Since 1982, the gain is £13,000, but overall only £5,000. The new rules will ensure that the taxable gain—subject to indexation—will be limited to the taxpayer's actual gain of £5,000. Another example is of shareholding bought for, say, £10,000 in 1975 which was worth £20,000 in 1982 and is sold in 1988 for £8,000. Here—again subject to indexation—the loss for tax purposes will be the taxpayer's actual loss of £2,000, not the £12,000 decrease in value since 1982.

Mr. Dafydd Wigley (Caernarfon): I am following with interest, as I did at the time of the Budget, and I can see how that is worked out in relation to shares that had a specific value in 1982. But how will a computation be made in relation to, say, a second home? How will the value of that home in 1982 be established? If it is done by taking its present value and working back on an indexation basis, does that not automatically cancel out any liability to capital gains tax? Surely there is a considerable difficulty here. What advice can the Minister give on how to overcome it?

Mr. Brooke: The hon. Gentleman is quite right: it is a difficult issue. But it is an issue that already obliges us to make valuations from 1982 for the purposes of the existing legislation, and it is therefore something in which we have practice. I would be the last to deny that it is difficult, but nevertheless it is already under way.

4.45 pm

In some cases there may be a gain under present rules and a loss since 1982, or vice versa; or there may be neither a gain nor a loss under the pre-Budget system. In those circumstances, the clause provides that from 6 April there will be neither a gain nor a loss for tax purposes. Again, there were equivalent rules in 1965 when capital gains tax was introduced.

These rules are fair, but they complicate the system, and they mean that many people will have to continue to keep records going back before 1982. As I have said, there were similar rules for 1965, when CGT was introduced. However, taxpayers were then able to make an election, covering their quoted shares and securities, that gains and losses would always be computed by reference to the 1965 market value, rather than under the special rules. Clearly, where an election was made, taxpayers were relieved of the need to keep pre-1965 records.

It has been suggested to us that, rather than be required to maintain pre-1982 records, some people would prefer to be able to make a similar election for 1982. This would of course mean that they would lose the protection of the special rules in the Bill. But it would in some cases relieve them of a significant compliance burden, and simplify their capital gains tax computations. And it would be wholly at the taxpayer's option.

We have decided that there is considerable merit in these suggestions. We propose to introduce measures under which taxpayers will be able to elect that, from 6 April 1988, their gains and losses on assets acquired before 1982 should be computed by reference to 1982 market values.

An election of this kind will be irrevocable. It will apply to all a taxpayer's assets, and to all his disposals after 6 April this year, including any that precede the election. In the case of groups of companies, it will have to be made —as was the case with the 1965 election—by the principal company, on behalf of the whole group.

If taxpayers' liabilities are not to remain open indefinitely, a time limit has to be set for making such an election. We propose that there should be two legs to this. First, all taxpayers will be able to make an election between now and April 1990, whether or not they make a disposal during that period of an asset acquired before 1982.

Mr. Boswell: May I intervene briefly with a simple query? We are aware that changes are being made in the

taxation of husband and wife. Will some special provision be necessary in that case, or is the matter already covered in existing law?

Mr. Brooke: The simple answer is that the taxation relating to husband and wife does not come in until 1990. Nevertheless, I shall pay attention to my hon. Friend's question.

Mr. Boswell: May I follow my question with another small point? What happens when an asset is jointly held? Is it likely to be possible, for example, for a husband to opt for a 1982 valuation, and for his spouse to opt for the alternative?

Mr. Brooke: My hon. Friend is luring me on to marshy ground. I do not wish to be absolutely categorical about the contents of taxation that seeks to be independent, but I think that the answer is no.

That first leg of our proposal will enable those who decide that they do not want the burden of keeping pre-1982 records to get rid of them immediately.

Secondly, if an election has not previously been made when a taxpayer makes his first disposal—after 5 April 1988—of an asset held in 1982, he will still be able to make one within two years of the end of the accounting period or tax year in which he makes that first disposal.

With these provisions, those who would prefer to can have the protection of the special rules in the Bill, by simply deciding not to make an election. But those who are willing to dispense with that protection will be able to opt for a less complicated regime, in which they need no longer keep pre-1982 records. This seems to us a useful and sensible improvement to the provisions as drafted in the Bill, and we shall be tabling the necessary provisions at Report stage.

Mr. Tim Smith (Beaconsfield): Is my right hon. Friend aware that the changes he has just announced will be most welcome, especially to those who have smaller investments and for whom the rules in the Bill could have proved extremely complicated?

Mr. Brooke: I am grateful to my hon. Friend for his intervention.

I would like to make a few detailed technical points. Rebasing will use actual market values at 31 March 1982. Under the 1965 rules, for some assets, gains over a period straddling 1965 were time-apportioned in order to arrive at the gain since 1965—although the taxpayer always had the option of taking the actual 1965 market value. That was for practical reasons, to avoid forcing taxpayers to obtain a 1965 valuation of certain types of assets. There is no equivalent of the time-apportionment rules in this Bill. They are not needed, because, as I said to the hon. Member for Caernarfon (Mr. Wigley), 31 March 1982 market values are already built into the system for the purposes of calculating indexation relief. To include a time-apportionment option now would be an additional—and unwelcome—complication.

Rebasing will apply to companies—as well as to individuals, personal representatives and trusts. In general it will apply only where taxpayers are disposing, on or after 6 April 1988, of assets which they themselves held on 31 March 1982. But paragraph 1 of schedule 7 contains an important exception. It extends rebasing to cases where the taxpayer acquired the asset by a no gain, no loss transfer from someone who did hold it in 1982. The main examples are where one spouse has given an asset to another, or an asset has been transferred within a group of companies.

The rest of schedule 7 is concerned with technical consequentials to rebasing. There is one provision, though, which it may be helpful to mention specifically now. At present, taxpayers who want indexation to be computed on the 1982 value have to say so. With rebasing, in most cases gains will be computed by reference to 1982 values—the exceptions arise under subsections (3) and (4) of the clause. It therefore makes more sense to provide, as we have done in paragraph 10 of the schedule, that indexation relief on assets acquired before 1982 will automatically be computed from the higher of actual cost or the value of the assets at 31 March 1982.

Clause 91 is part of a general reform of capital gains tax. We shall, of course, be debating the other clauses upstairs. But, very briefly, with the new top rate of income tax, and with inflationary gains taken out of tax, my right hon. Friend the Chancellor was able to propose, in clauses 92 to 97, the assimilation of the rates of capital gains tax with those of income tax. At the same time, it is proposed in clause 101 that the annual exemption, which was specifically increased in 1982 because relief was not at that time given for pre-1982 inflation, should be reduced for 1988-89 to £5,000. Under clause 98, which the Committee debated yesterday, husbands and wives will, from 1990, be taxed independently on their gains.

Taken together, these reforms will achieve a much more equitable balance between the tax burden on capital gains and that on income. Rebasing will remove the long-standing injustice of taxing inflationary gains. It will unlock many assets acquired in the 1970s and earlier, freeing capital for new investment. The new election I have announced today will enable taxpayers, if they wish, to discard pre-1982 records. Assimilating capital gains tax and income tax rates will substantially reduce the incentive to have capital gains rather than income, with all the distortions that result. I commend these provisions to the Committee.

Mr. Nicholas Brown: In his exciting speech, the Minister has clearly moved the Committee, mostly to other parts of the building, with his explanation of the problems faced by those who are unfortunate enough to have made a capital gain prior to 1982. The response from Opposition Members is that it is typical of the Government, in this Budget, yet again to be sorting out the problems of the wealthier members of society rather than the problems of the poorest. We have heard a lot about the problems of those who have made a capital gain prior to 1982. What about the problems of the generality of our population who have not come anywhere near doing any such thing? This Budget and the clause have absolutely nothing to say to them.

Every tax concession is potential public expenditure forgone. It is our view that a principal objective of public expenditure should be to redistribute wealth from those who have it to those who do not, rather than to redistribute further wealth to those who already have it.

Mr. Butterfill: Will the hon. Gentleman give way?

Mr. Brown: If the hon. Gentleman will allow me to go a little further in my speech, I shall give way later. I want to move on to the detail of the changes as well as the generality.

[Mr. Brown]

The changes, in keeping with the main direction of the Budget proposals, do nothing to address the problems of the dispossessed or disadvantaged. The changes do nothing except give a further tax break to the wealthy. It is important to remember, as I reminded the Committee yesterday, that fewer than one in 100 of our fellow citizens pay capital gains tax. The clause, if accepted, means that still fewer people will pay capital gains tax, but they will still have their capital gain.

Mr. Butterfill: May I press the hon. Gentleman on his definition of the wealthy? Is he aware, in relation to property ownership, that quite a large number of people acquired property, originally for their own occupation, went abroad and while abroad let the property and it became subject to rent control and security of tenure was given to the tenant? Such people may have ended up with an unwanted investment property, originally purchased for their own occupation. Some of those people—I know of some in my constituency—are not wealthy people but are quite poor and have had to move into rented accommodation themselves. Those people, with mainly pre-1965 gains, will be specifically helped by this legislation. Does the hon. Gentleman at least approve of that element?

Mr. Brown: It is perfectly proper for Conservative Members to make the point about questions of degree and about types of capital gain. Those are perfectly proper areas for debate. However, the clause we are discussing goes much further than that, and I shall deal with the question of degree later.

At a total cost of £55 million to the Exchequer, capital gains tax on an individual's pre-1982 gains has been abolished. There is a similar cost of £235 million in respect of companies' gains. As I said before, that is public expenditure forgone. The key question that the Minister will have to answer when he responds to the debate is why the Government have chosen to spend public money in this way rather than in the many other ways in which it could have been spent. When the Minister responds to that point, as I am sure he will, the Committee will have to consider his remarks alongside yesterday's generosity to married couples who pay capital gains tax.

No doubt the defence will be that the gains, which were subject to taxation prior to rebasing were, at least in part, inflationary gains. The Chancellor referred to them in his Budget speech as purely paper profits. Yet that was compensated for in the taxation system by a flat rate tax of 30 per cent. and, alongside that, pretty generous individual annual exemptions.

It is also the case that inflation has a bearing on other tax as well as just capital gains tax. Therefore, the Government have to make the case for singling out capital gains tax for special sympathetic treatment. As I understand it, again by looking at what the Chancellor said in the Budget, the principal reason for that is that assets will be unlocked because they will no longer be subject to what he described as penal taxation and because the changes will help small business men and farmers in particular.

In proving that contention, the Government have two hurdles to clear. First, they have to demonstrate their case by example. They have to show that the operation of capital gains tax has become unreasonably burdensome without rebasing and that rebasing is not just a handout to rich companies and individuals—particularly to those who are asset-rich such as property companies and, one suspects, particularly London and south-east based companies. In saying that I come to the intervention made earlier by the hon. Member for Bournemouth, West (Mr. Butterfill)—I accept that there are probably specific areas where such a case can be made out. I contend that such cases should be dealt with on that basis rather than to move from the particular to the general.

[Mr. Patrick Cormack *in the Chair*]

5 pm

Even if the Government could clear those two hurdles, they have another, higher hurdle to get over. They have then to make a case for complete tax exemption on capital gains to 1982, which is in the clause. It is one thing to argue reasonably that a tax is too high or there are special circumstances in the period covered, but it is quite another to say that the tax should be done away with altogether. The implication is that every capital gain made in the 1970s potentially subject to capital gains tax was solely the result of what the Chancellor exaggeratedly stated to be rampant inflation. Such an argument is not tenable, but there it is.

The Government rebasing wipes out any tax liability for gains on assets accruing before 1982. However, capital losses generated before April 1988 appear to be carried forward and offset against rebased gains to be generated in future, even if the losses were accrued before the new April 1982 base.

One suspects that there are likely to be a spate of disputes between valuers and claimants about valuations of unquoted shares and of property. That must create an extra work load for the Inland Revenue, which has public expenditure implications, without any gain to the Exchequer; quite the reverse.

Mr. Butterfill: The hon. Gentleman will know that I am a chartered surveyor by profession, so I have some knowledge of valuing property assets. My hon. Friend's suggestion will probably simplify the work of the Inland Revenue and those valuing such assets. Certainly, we had to look back sometimes as far as 1965 at the dusty old records that we were obliged to keep to justify valuation, so this change will be a great benefit to us in carrying out those valuations. The change will be of benefit to the valuation profession as a whole.

Mr. Brown: I enjoyed discussing matters of detail with the hon. Member for Bournemouth, West in the previous Parliament, when I had Opposition responsibility for legal affairs rather than finance. In Committee, the hon. Gentleman attended to matters of detail assiduously. His intervention today reflects that.

I accept that the Government's proposals might simplify the work of valuers, but the change as a whole is bound to incite a great influx of work. Indeed, I understand that it is intended precisely to do that. There will be implications in that case for public expenditure, which I should like to have heard the Minister address, but perhaps he will do so in the wind-up. This matter, of course, is peripheral to the main thrust of our objections, and not their cause. Our main fear is that rebasing, together with indexation and the generous annual exemptions, which the Minister said will be disaggregated

for married couples from 1990, and a range of other reliefs and exemptions, will together thoroughly undermine the effectiveness of capital gains tax.

By undermining the tax, the Government act to the advantage of wealthier citizens—the less than one in 100, and perhaps many fewer, who have to pay the tax. It means that the burden of public expenditure falls on the rest of us. To the Labour party, that cannot be fair, and thus we shall be opposing the Government in the Lobby.

Mr. Tim Boswell (Daventry): First, I thank my right hon. Friend the Paymaster General for his response to our amendment. We understand that his response is conditional, but we are grateful for the terms in which he made it. I did not have the opportunity to reply appropriately when the amendment was introduced but I shall do so now, especially as I decided rather churlishly to bowl the Minister a couple of bouncers on the tax treatment of married couples.

Mr. Brooke: As my hon. Friend has referred to bouncers, it might be easiest for me to clarify my response. He will recall asking me whether husbands and wives would be able to make separate elections on jointly held assets. After a number of preliminary embroidering remarks, I said I thought not. I have to reverse that answer now, and say yes, because the election has to be made in respect of all an individual's assets. Each spouse can make a separate election that will apply to their respective interests in jointly owned property in the same way as to assets that are not jointly owned. The position was the same for 1965.

Mr. Boswell: I am most grateful to the Minister for that concession and clarification. I must also respond to the Minister's general points about the propriety of trying to strip inflationary gains—particularly, dare I say, those occurring in the 1970s, when there were certain inflationary habits in Government. That must be desirable, because those of us who held any sort of assets in the 1970s must have been apprehensive that contingent liabilities would mount up or become actual liabilities in some cases, when assets were sold or had to be disposed of. It should be no part of Government's role to attack capital through the contingent vehicle of inflation.

However, I welcome the Government's proper action to bring into line the system of taxation for capital gains along with that of income. I welcome that, equally, because it is no part of balanced and sensible government to have a regime where people can convert income into capital gains to take advantage of a beneficial tax regime. The spirit behind the Government's action must be acknowledged.

My remarks can be more detailed on certain aspects.

Dr. John Marek (Wrexham): If the hon. Gentleman believes what he has just said, would he go along with us and ask the Minister why there should be a £5,000 exemption from capital gains, which is much higher than the single or married person's allowance?

Mr. Boswell: I note the hon. Gentleman's point. My own view is that, bearing in mind that capital assets by definition tend to be held somewhat longer and that there are rules for trading in assets, as the hon. Gentleman knows, to bring people within the income tax system, it seems to be a reasonable balance and maintenance of relief. The point has been taken, but clearly one would not want to see a very wide divergence between the two regimes. Perhaps I should go further and say that when we settle down under the new system, the distribution effects must be monitored. I shall deal with those points again in a moment.

With regard to compulsory purchase orders, I must record the fact that they do not enable a vendor to control a sale, as he has no choice in the matter, nor always the timing of a sale, which might cause difficulties for some people. Equally, in cases of voluntary disposals of assets, bearing in mind that capital gains tax is now at a higher rate than the 40 per cent. income tax rate for some higher rate taxpayers, as the hon. Member for Newcastle-upon-Tyne, East (Mr. Brown) implied, one might need to consider the de minimis provision, if not in this Bill then later, whereby a slightly larger proportion of an asset can be disposed of without attracting capital gains tax at the time.

Milk quotas were a new asset for farmland post-1982. It is odd that the milk quotas for many farms are now worth as much as the farms. Although the Government have responded by giving gains tax relief on milk quotas, the overall computation is not favourable. I should be grateful if the Government considered this matter.

Under the present system, capital gains have been brought broadly into line with income, but we are well aware that most people tend to hold on to capital assets significantly longer. My right hon. Friend the Paymaster General referred to the great virtue in wiping out the need to keep records pre-1982. It is what I think the ancient Romans called novae tabulae, or new tables—it is a matter of wiping the slate clean and starting again. We all know what happens to papers, despite the best will in the world. The family dog may get to work on the paperwork, as happened to me, or one's children may move away——

Mr. A.J. Beith (Berwick-upon-Tweed): The dog ate my homework—a likely story!

Mr. Boswell: I am certainly not saying anything unkind about dogs in this Committee. One may well find that records become less perfect and valuations less certain. I believe that the base year of 1982 will eventually need to be adjusted upwards, perhaps to 1992, which is another significant date for other reasons. I beg Ministers to think forward about whether there may be better ways of bringing the assessment of gains on continuing assets into the system in a way that is equitable in terms of income and calculable.

Stock dividends instance the problem well. My right hon. Friend the Paymaster General knows that many companies, for various reasons—modernity may be one—offer shareholders the option of stock dividends. People may receive rather portentous pieces of paper, which we are told are important, announcing that they may be entitled to have another seven shares, which will be taxable but will be paid as a stock dividend. That may be fine, but, because of the complications of the capital gains tax computations, many small shareholders would be ill-advised to take that option. It would lead eventually to an expensive calculation on a very small asset. As Ministers know, transactions for small shareholders are now extremely expensive and are a major part of the disposition of any holding. The benefits become limited when the accountant's bill is added, since all these annual or semi-annual processes must be followed through.

Mr. Butterfill: Does my hon. Friend agree that it seems clear that it is Inland Revenue practice to suggest a figure for settlement of a negotiated capital gain and that this is unfavourable to the taxpayer? The Inland Revenue knows that the cost of going to the special commissioners is so high that it can strike a bargain down the middle on the cost.

Mr. Boswell: That certainly would happen.

We now have machinery that is intended to be fair as between income and capital gains, and that is entirely proper. Many ordinary asset holders hold capital assets much longer than income, but the circumstances are not always identical. We need to put on our thinking caps to find a better regime for the future so that people are fairly taxed on their assets, without undue or onerous complications.

Mr. Alistair Darling (Edinburgh, Central): I understand that the hon. Member for Daventry (Mr. Boswell) is a farmer. It is good to see that he maintains the tradition of farmers in complaining about the injustices visited upon them. I have some sympathy with him if he has to put up with a motorway going through his farmland, but he is keeping up the good tradition of pointing out the difficulties that afflict his industry.

I should like to address the general philosophy behind the clause. We are entitled to ask why this measure is such a priority. At first sight, it is quite attractive to suggest that anomalies should be wiped out. It is particularly welcome that those people with small savings and those who rely on their savings in old age can now realise their assets when they need them. We suspect, however, that the priority and motivation behind the clause differ entirely from that. I hope that the Minister will specify precisely what problem has led to the need for this clause. We should have regard to the fact that there is a substantial cost in terms of tax forgone—£235 million for companies and £55 million for individuals.

5.15 pm

We have heard that there seems to be a difficulty in keeping records. The Treasury has seemed to go out of its way to save work for accountants. The justification for many measures seems to be that we do not have records, so we should not attempt to recover what might be due to the Exchequer. The principal reason advanced for the clause is that, between 1965 and 1982, there was rampant inflation, which has caused a manifest injustice. The Chancellor has said:

"But for gains that arose before 1982 the tax falls largely on purely paper profits resulting from the rampant inflation of the 1970s. In other words, it bites deeply, and capricously, into the capital itself."—[*Official Report*, 15 March 1988; Vol. 129, c. 1007.]

The right hon. Gentleman went on to say that he felt that the capital gains tax should fall only on real gains and not on paper gains.

It is interesting that 1982, not 1979, is taken as the base year. The Government constantly tell us that the good times started to roll in 1979. We remember that inflation reached record heights shortly after the Conservative party attained office and continued for some time. Within Conservative mythology, the years 1979 to 1982 have been written off, almost like the lost years in the Soviet Union —it does not exist; it never happened, we do not want to know about it. That is why 1982, rather than 1979, has been chosen. The Government are well aware that, by 1982, inflation was starting to subside but the markets were fairly depressed. The Government have chosen the optimum year.

Mr. James Arbuthnot (Wanstead and Woodford): The year 1982 was chosen because that was the year in which indexation was introduced.

Mr. Darling: The justification for 1982 is perfectly apparent. Indexation could have been backdated to before 1982. It lies with the Government to arrange matters in any way they want. The year 1982, rather than 1979, was chosen for obvious reasons, which I have given.

There was inflation, but surely no one is saying that there were not real gains at the same time. Even if it is desirable—I accept that there is some merit in this—that a person should not be taxed for paper gains purely because of inflation, real gains would have been made between 1965 and 1982. That is our principal objection to the measure. A second home bought in 1966 for £16,000 might have been worth more than £100,000 in 1982, and no one says that that was due purely to inflation. It was a real gain and a real benefit which accrued to the taxpayer, and it is wrong that such gains should be written off in this way.

As we said in the debate on the business expansion scheme, those who benefit are generally the better-off, rather than those at the lower end of the income and capital scales. That is the fundamental reason why Opposition Members object to this scheme. It seems to be another example of the Government looking after the very people whom they have supported, not only in this Finance Bill but in previous financial measures. It is manifestly unjust and I cannot see why it should be made a priority at this time.

We are entitled to ask, with nearly £300 million in tax forgone, what else it could have been spent on. This Finance Bill is about the arrangements of the country's financial affairs for the next 12 months, at a time when there are unprecedented calls on housing benefit, the Health Service, and so on. Is it not the case that this money might well have been diverted to other fields instead of being given in what is, in effect, a tax handout to those who, although I do not say are not deserving, perhaps do not have the priority needs that others do?

Mr. Butterfill: The hon. Gentleman states that we have given an unwarranted advantage to those who would have had pre-1982 real gains, as he puts it. Would he bear in mind the fact that we have at the same time increased the rate of tax from 30 per cent. to 40 per cent. and reduced the threshold of the disregards, so that the overall effect may well be in some cases to increase the tax paid?

Mr. Darling: Some individual taxpayers may well lose, but the general thrust is to reduce the burden. The thresholds have been reduced and, as was said earlier, the position of a married couple in 1990 will be infinitely better. The emphasis is going the wrong way once again and I cannot see—I look forward to the Minister responding to this—the justification for writing off gains, inflationary and real, in those years. To my mind, that adds weight to our opposition to this clause. We have to remember that 31 per cent. of our population are living in poverty. If the Government showed the same concern for the anomalies that they face within the social security

system I would not have so much objection. We are asking for equal treatment for those who have and those who have not.

There will have been inflationary gains and real gains in those years, but there were also inflationary wage rises, as the Government constantly tell us. So it is not true to say that somehow capital is alone in having suffered the ravages of inflation. The Government have shown themselves, in this clause, to be extending the double standards that they have practised for a long time now. It is for these reasons that we shall oppose this clause, because it is quite wrong and without justification.

Mr. Tim Smith: I am sorry that the hon. Member for Edinburgh, Central (Mr. Darling) feels the way he does, because anybody who looks back over the 23-year history of capital gains tax—I think that it was Lord Callaghan, the then Chancellor of the Exchequer, who introduced it in the 1965 Finance Bill—will see that although, of course, there is a flat rate, as the hon. Member for Newcastle upon Tyne, East (Mr. Brown) said, the rate of inflation must have been around 3 or 4 per cent.; it cannot have been more than that. So at that time, the kinds of inflationary gains that have subsequently taken place simply could not have been contemplated.

It will not do for Opposition Members to say that, because in their view the poor are being treated unjustly, that is some kind of justification for continuing to treat taxpayers unjustly, whoever they may be. Fairness is an important principle that should underlie taxation.

Mr. Campbell-Savours: Can the hon. Gentleman perhaps enlighten us as to how he justifies people not paying tax on real gains?

Mr. Smith: I have hardly embarked upon what I want to say, but I certainly was not planning to try to justify that. I believe that it is a matter of regret that the Treasury was unable so to arrange the new system that indexation was backdated to 1965. But we are talking about 23 years' history of certain assets, and we are told that this is simply not a practical proposition. I am sure that must be right.

The point that I want to make most forcefully to the Committee, because nobody has so far mentioned it, concerns what the rate of inflation was between 1965 and 1982. The hon. Member for Edinburgh, Central mentioned somebody who bought a house for £16,000 in 1965 and sold it for £100,000 in 1982. Since inflation over that period was 450 per cent., that would have taken the price up to £88,000, so the real gain would have been £12,000. The inflationary gain would have been £72,000. That is the size of the problem that the Government are addressing in this clause. People felt very strongly that this was desperately unfair, because there had been 450 per cent. inflation in the period and all of it was being taxed. In terms of fairness, that cannot be justified.

The consequence of that was that people did not sell their assets unless they absolutely had to. That is why I believe that the Treasury is right to say that now that we have a fairer system people, whether individuals or companies, will look at their asset portfolios, and we shall see assets unlocked. The Treasury has determined that the net result of this will be a loss of revenue of £55 million in the case of individuals and £230 million in the case of companies.

It must have made certain assumptions about people's behaviour. It is very difficult to know how people will behave in the face of tax changes, except that one can be quite sure that they will not behave in the same way as they were behaving before. We all know that there will be more activity in this field. People will start to dispose of their assets, so we can expect the number of taxable transactions to rise. I would not be at all surprised if, just as in the case of the cuts in income tax, this did not lead in the long run to an increase in the yield from capital gains tax.

It is this that highlights the division between the two main parties in the House. The Opposition are concerned all the time, when it comes to taxation policy, with redistributing wealth, whereas we are concerned with what system of taxation will maximise the yield and encourage the creation of wealth, which will lead in turn to the generation of more taxation to pay for more public expenditure. It was a matter of regret to me that the Treasury was not able to make this change earlier, but I understand that that simply was not possible against the economic background that prevailed at the time. So the Government have said that from 1982 onwards there will be some degree of indexation.

It will be recalled that it is not unprecedented for a Chancellor of the Exchequer to take action when taxpayers are being hard hit by inflation, because in 1975 the right hon. Member for Leeds, East (Mr. Healey), who was then Chancellor of the Exchequer, seeing the crippling effect that inflation was having on companies, introduced overnight a huge stock relief and also increased capital allowances. These changes were introduced in 1975 because the cash flow of companies was so very badly affected.

I am glad that the same has now been done for people who, for one reason or another, have to pay capital gains tax. I also support the increase in the rate to 40 per cent. so that there will no longer be an incentive for taxpayers to convert income into capital, and vice versa. These changes make for a fairer and simpler tax system and I certainly support the inclusion of this clause in the Bill.

Mr. Wigley: I should like to follow on from the comments that have just been made. The hon. Member for Beaconsfield (Mr. Smith) referred to people looking at their asset portfolios. I must admit that not very many of my constituents spend their time looking at their asset portfolios, and many of them would not have the faintest idea what they are. That concept applies to a very small proportion of the people, although I accept that it may be of importance to Conservative Members.

In my constituency, this sort of question is more relevant to small farmers and small business people, whose assets are probably in one item—their land or their building. The portfolio is one small item, in all probability, and is not changed around for the sake of getting tax benefits. It is something that has to work very hard in order to keep itself alive.

I agree with the hon. Gentleman, however, on the desirability of backdating indexation to 1965, if that were practicable. That would have kept the two concepts clear —ensuring fair play in relation to the considerable inflation that was taking place at certain times in the intervening period and the capital gains that took place —and we would not be considering whether important sums of money, such as £290 million, were being appropriately dealt with.

Mr. Butterfill: Does the hon. Gentleman agree that small farmers would still have considerable problems in maintaining adequate records of, for example, improvements to their farms, which would need to be taken into account in computing any further liability to tax?

5.30 pm

Mr. Wigley: Yes, I am aware of that and of the need for change for that reason. Therefore, I am not completely hostile to the changes. I share the Opposition's doubts about the Government's priorities, and I should have liked more to be done for those groups who are not helped by the Budget, but I can see the argument for trying to do something to overcome some of the complexities and technical difficulties facing many people, including small farmers in my constituency. I am aware from the farmers, and in particular from the accountants trying to help them, of the problems that they face. None the less, £290 million is £290 million, and in a year when it has been impossible to find £150 million for the full implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986, one starts asking questions about priorities.

There is clearly a need to ensure a balance between the treatment of capital and revenue income. That balance must ensure that people invest in capital or with a long-term view to revenue income as opposed to short-term capital gain. I understand that some Conservative Members may not share that view, but that should be the motivation of the tax system. It should try to ensure that that is the outcome of the rules.

The hon. Member for Wrexham (Dr. Marek) made a valid point a moment ago when he said that we should be asking what is the acceptable threshold for exemption—what should be the allowance in that context. If a single person's allowance is £3,000, what is the justification for £5,000 in the context of capital gains? Last night we discussed the most appropriate level for a husband and wife who now have an allowance of £10,000 between them. It might have been possible for them to have an allowance of £3,000 or £3,500 each, bringing us back to the kind of level that exists for a single person. That would have been consistent with what we are trying to do in capital gains tax. The opportunity to achieve greater consistency in order to get the balance right seems to have been missed, yet hon. Members on both sides of the Chamber seem to be looking for balance.

Milk quotas have been referred to, and they definitely affect Wales. Given their special treatment, one hesitates to think what will happen, perhaps in the early 1990s, if milk quotas come to an end. I know that the conventional wisdom is that that will not happen, but it could, and I can imagine there being quite a minefield in that area. However, I would be straying well out of order if I went too far down that road.

I want to return to a matter on which I pressed the Minister earlier. Although I listened to what he said, I am not sure whether I understood him sufficiently well to explain the matter to my constituents. If one of my constituents had bought some land for £20,000 in 1966, which he disposed of now for £150,000, there would be a capital gain of £130,000. If the value of indexation from 1982 to 1988 is 50 per cent., that would put the value of the assets in 1982 down to £100,000, making a gain of £80,000, which would tie in with the 450 per cent. change in the value of money over that period and a little more in real terms. However, I cannot see why, on the basis that indexation exists and there is a need now to make certain calculations for capital gains purposes, it gives us a valid valuation for this new datum base, which has to be established for 1982 for calculation purposes. I do not believe that that is the case.

The original value in 1966 and the present value, plus the index working back to 1982, is fine for present purposes, but on the changes that does not give us a real valuation for 1982. Whereas that can be easily worked out for shares, when it comes to land or buildings, which may, for a variety of reasons, have changed value, it is not so easy to work out a meaningful value in 1982. It may be possible to pluck a value out of the air and call it a notional value and do a split on a time basis, or something like that, but that is a far from satisfactory basis for establishing an important datum line for the future—the value in 1982.

I should be grateful if the Minister would clarify in more detail exactly how the existing provisions for the calculation of capital gains tax liability give a figure which is meaningful in the context of the use to which it will be put under clause 91. Unless that can be satisfactorily clarified, we are in danger of building an edifice on a base in 1982 which, in many instances, may be far from solid. Such a change will be with us for years to come. That point needs to be clarified. The definition needs to be equally applicable in all capital gains cases. We should not have a system which works well only for stocks and shares and creates a minefield in other areas. More than that I do not wish to say at this stage, but I should be grateful for the Minister's detailed response to those points.

Mr. Arbuthnot: Opposition Members have expressed their general dislike of the clauses relating to capital gains tax, but there is one point that they should not overlook and that is that for those who make large gains the effective rate of capital gains tax will have gone up by 10 per cent. as a result of the Bill. The capital gains tax rate for those who make smaller gains or who have smaller incomes will go down by 5 per cent. That effect of the Bill should not be ignored.

Dr. Marek: Can the hon. Gentleman justify the fact that the Chancellor, when he made his Budget statement on 15 March, gave people who pay capital gains tax until 6 April to arrange their affairs to their best advantage?

Mr. Arbuthnot: Yes. I have felt for a long time that the tax changes in Britain are introduced far too suddenly in order to prevent a few days of evasion or avoidance here or there. If we could have a bit of warning so that our tax legislation was sensible, rather than for the short-term bringing in of some revenue to the Treasury, we would end up with a much more sensible set of tax laws.

I welcome what my right hon. Friend has said in relation to the election for clause 91. I hesitate to say this, and I hope that I may be forgiven for doing so, but I raised on Second Reading the complications introduced by clause 91 and I am delighted that my right hon. Friend has been so responsive so quickly. It has been a habit of mine so far to be rather critical of our complicated legislation, particularly in relation to tax, and I am most grateful to my right hon. Friend for responding, not necessarily to me, but to all the representations that have been made.

Ms. Joyce Quin (Gateshead, East): The only sympathetic chord in me that the Government have struck this afternoon has been on the prospect of people destroying records before 1982. Even with my monthly household bills, it is difficult to keep records for more than a few months. Therefore, the idea of destroying records before 1982 is rather attractive. Apart from that, the rebasing put forward by the Government is not justified —or, at least we have not been given sufficient information to decide whether it is justified or not.

My hon. Friend the Member for Newcastle upon Tyne, East (Mr. Brown) pointed out that fewer than one in 100 taxpayers pay capital gains tax. I wonder whether the Government estimate that the figure will be further reduced this year because of the rebasing decision. We have also heard about the cost to the Exchequer which rebasing will involve. Many of my right hon. and hon. Friends feel that the Government have been generous enough already to big business and to wealthy individuals and that this is just an additional way of being even more generous to them.

The people who are likely to benefit from rebasing will probably live in one corner of the United Kingdom, the south-east of England. This is yet another example of adverse regional trends. The answer to a parliamentary question tabled by my right hon. Friend the Member for Swansea, West (Mr. Williams) made it clear that higher rate taxpayers are concentrated largely in the south-east of England. Rebasing will channel even more money into that area. If the Government have any figures, I should like to see them. When analysing the Bill and its probable effects it is difficult to know precisely what the regional implications are because the Treasury seldom gives us the figures on a regional basis. Therefore, we do not have official sources for the figures which many of us suspect would be revealing.

Several hon. Members have referred to the extent to which profits made prior to 1982 were real profits or simply the result of inflation. I am in no doubt that many substantial real gains were made. An article in *The Guardian* on 17 March dealt with the reaction of the stock market to the changes in capital gains tax. It said:

> "For example, shares in the electronics group Racal rose more than 7,000 per cent. between 1965 and 1982 when it was one of the market's star performers . . . A large number of private and professional investors have now been relieved of capital gains tax liability on that enormous profit up to 1982".

I do not know how closely the Government have looked at the short-term and long-term effects on the stock market of the rebasing decision. Certainly many people decided to sell their shares because of it and some shares fell as a result.

The same article pointed out:

> "Brewery, property, life assurance and investment trust shares all benefited from the removal of pre-1982 tax liabilities".

Selling was held back because of the previous policy on capital gains, but now big financial combines have been relieved of their huge capital gains tax liabilities.

Mr. Tim Smith: Does the hon. Lady appreciate that every company quoted on the stock exchange has benefited from the change, for the very good reason that between 1965 and 1982 inflation was 450 per cent.? Does not she think that one principle underlying taxation policy should be fairness?

Ms. Quin: I accept that a principle underlying taxation policy should be fairness, but I do not think that anyone could claim that the Budget was an example of fairness. The example I quoted made it plain that, whatever the level of inflation, there were considerable real gains made in addition.

I should like to hear the Government's view on how rebasing may affect the migration of individuals and trusts. When they transfer their residence, they will not have to pay capital gains tax on their way out of the United Kingdom. Has a calculation been done of the possible cost of the rebasing decision?

5.45 pm

Several Conservative Members have referred to the accompanying measures on capital gains tax and to the fact that income tax rates and corporation tax have been brought into line. Have the Government considered the consequences for small businesses of the decision to have 40 per cent. and 25 per cent. rates? I understand that those associated with the British Venture Capital Association are concerned that it may mean a reduction in the amount of venture capital.

While I am not arguing against the change to 40 per cent. for capital gains tax, I believe that the Government should consider measures to make sure that small businesses, particularly in areas where they are most needed, can still expand and have access to venture capital. In this respect the Government might like to consider the proposal of the Labour party for a national investment bank with a large amount of money involved in venture capital.

I do not think that the Bill will do anything to end tax avoidance. Are the Government planning to offset the gains which will be made from the measure by a more efficient clampdown on tax avoidance?

I agree with my right hon. and hon. Friends that the Government have got their priorities wrong. The people about whom I am most worried are those with dwindling capital, such as pensioners who find that, because of the cuts in benefits and the changes in social security, they are for ever having to dip into the small nest eggs which they had saved over many years. It is distressing that people are worried about the payment of funeral bills when their small stock of capital has depreciated because they have had to dip into it so many times as a result of recent Government financial decisions. We are concerned about helping such people, and we do not believe that the Government have got their priorities right in the Finance Bill.

Mr. Rhodri Morgan (Cardiff, West): It is a pleasure to have the opportunity to speak on a matter such as capital gains tax rebasing, because we simple roadsweepers, swineherds and such like on this side of the Committee have the opportunity to be educated by the professionals on the Conservative Benches from accountancy, merchant banking and chartered surveying. We are getting a free education. We should really pay to be Members of Parliament for the duration of the Finance Bill Committee stage.

I want to point out to the Minister and his cohorts on the Benches behind him that we are not yet satisfied about capital gains tax rebasing. Some Conservative Members say that rebasing has been done because of the concept of fairness, while others say that it has been done because of

[Mr. Rhodri Morgan]

economic performance. It is the supply side myth or the supply side causal relationship, as they would see it. The idea is that the performance of the economy will be improved by the rebasing because assets will be more fluid and flexible and people will be more willing to invest and take risks.

That is not necessarily the same thing as the idea that inflationary gains, which are not real gains, should not be taxable because they are not real. Taken in isolation and without regard for any one year's Budget, we would agree with that point. But how to tax inflationary gains, or how to avoid taxing them, and how to leave the tax system taxing effort and risk on a fair basis is extremely complicated, and rebasing to 1982 does not solve the problem.

I could give several examples. The hon. Member for Bournemouth, West (Mr. Butterfill) was present when we discussed the impact of the poll tax on the valuation of assets for the purposes of local government finance. That is relevant, because RPI inflation and asset inflation are entirely different; in fact, they can work in reverse. If retail prices index inflation increases, asset inflation—or deflation—can go in the opposite direction. The hon. Member for Bournemouth, West intervened in my speech when I made the point that asset price inflation has been high in areas such as Cardiff in the past two years. The valuation of office blocks and shops has doubled in the past two years. While retail price inflation may have been 7 or 8 per cent., asset price inflation has been 200 per cent.

How does one compensate for this asset price inflation, which is working at almost South American levels? Two weeks ago, on Third Reading of the Local Government Finance Bill, the hon. Member for Bournemouth, West took the view that, as there had been no rating revaluation in provincial cities such as Cardiff since the late 1960s, businesses there were paying artificially low rates, which led to artificially high rates of valuation. If I follow the argument, rent and rates are a combined charge on the user, so valuation is a residual element after people have paid rates and rents, and there can be hyperinflation of assets—of house prices in the south-east, of office block prices in provincial cities such as Cardiff.

It is, then, an extremely complicated matter to try to strip out RPI artificial gains. How are we to handle the genuine gains of Uruguayan proportions, which have infected western economies, at the asset level, but not at the RPI level?

Mr. Boswell: Does the hon. Gentleman agree that typical families who own one house and experience this high level of asset gains—which he fairly reports—usually want to transfer to another house? At the moment they can avail themselves of the capital gains tax exemption.

Mr. Morgan: None of us wants to introduce capital gains tax on the principal residence. I merely make the point that asset price inflation has risen to hyperinflationary levels during the past two years, whereas RPI inflation has been at levels that we would consider low since the OPEC price rises of 1972-73. Asset price inflation in house prices in the south-east and many other parts of the country of the past two, five or seven years has caused great difficulties for new buyers. However, that is not a matter for today.

Today we are interested in what has caused the hyperinflation of assets in this country in the past two years—for example, high street shops in provincial centres with good trading records and office blocks in centres such as Cardiff. How are those inflationary gains to be stripped out? Are they inflationary or real? How can they be compared with the so-called inflationary gains that the Government want us to forget and wipe away—the gains from 1965 to 1982, and above all those following the OPEC rises of July 1973, when hyperinflation took hold of the RPI?

Mr. Butterfill: Perhaps I can help the hon. Gentleman about property values. The reason that there has been an unusually high increase in the value of shops in many places is that there has been an increase in rental values, largely due to increases in turnover and profitability for shop operators. Those rental values have been compounded by a drop in the level of return required by institutional investors. That has meant that the multiple that people are prepared to pay of the rent demanded for shops has increased. Those two factors combined have led to the increases the hon. Gentleman mentioned.

Does the hon. Gentleman agree that there has been a relative shift between one asset and another, with one becoming more popular than the other? That is the reason for so-called real gains. I am not sure whether he thinks that that should necessarily be taxable per se.

Mr. Morgan: I shall have to reduce the offer I made to pay Conservative Members for the quality of technical education that we are getting this afternoon. The hon. Gentleman has now removed one of the key elements that he mentioned in his intervention on Third Reading of the Local Government Finance Bill. I believe that the Secretary of State for the Environment agreed with the hon. Member for Bournemouth, West when he said that one of the reasons for hyperinflation in asset value in the last four years in typical high street locations in the south of England and in prosperous provincial shopping centres such as those in Cardiff and Newcastle was the long-delayed rating revaluation—since 1969 or, in some cases, 1973.

Mr. Butterfill: I said that that was an underlying cause of part of the rent increase, not all. Rates have been held down, but I have just said that, in the context of capital values, one must take into account not only the rent increase but the reduction in yield required to produce enhanced capital value.

Mr. Morgan: I take it that the hon. Gentleman agrees with me that he said two weeks ago that rent rises were partly caused by the delayed rating revaluation, and also be reducing yields. If part of the reason for the hyperinflation of asset values in commercial property in the past two years has been a delay in the Government's district valuers' service carrying out the revaluation—we all agree that it should be carried out more frequently than every 19 years—it becomes extremely complex to try to strip out RPI inflationary gains—unreal gains—which should not be taxed, and real gains, which should be taxed and from which every honest taxpayer should be willing to contribute.

If the delay in revaluation was at least a partial cause of artificially high rent returns, and therefore of the valuation put on commercial property, it is extremely difficult to

work out why we are trying to correct, through the rebasing provisions, one form of unfair taxation on purely monetary gains, but are not trying to compensate for the other problems because they were apparently caused by Governments of both parties grossly delaying commercial revaluation, which delay has contributed to hyperinflation in important commercial properties in the past two years.

My hon. Friend the Member for Gateshead, East (Ms. Quin) mentioned Racal as the classic example of the company that did well when the rest of the country did badly. During the OPEC decade, when huge quantities of disposable income were shifted out of this country into OPEC countries—between July 1973 and early 1986, when oil prices fell from $35 a barrel to $8 a barrel—massive gains could be made by selling, for instance, tactical radios to armies in the Gulf states. Companies in that line did extremely well during that brief period and made 7,000 per cent. gains. As I think the hon. Member for Beaconsfield (Mr. Smith) said, they have stood still during the past two and a half years, as all the income that went to the Arab countries suddenly sloshed back into western countries when the price of oil dropped to roughly half what it was in early 1986.

One then tries to work out what is the inflationary gain that we all assume was general throughout the economy for companies that were having to cope, like all western economies, with the problems caused when all that disposable income was being shifted from western consumers to the OPEC countries. Some companies did extremely well out of that because they managed to spot the opportunities for selling goods to the states which suddenly had all that disposable income.

How does one equate the proper way of compensating for inflationary gains for companies such as Racal, which was the supreme example of the gainers from the OPEC price rise, with that for the companies at large, such as those in heavy industry, which manufactured capital goods for our use, when investment was falling through the floor and they had to suffer a wait of 10 or 12 years without an order for a power station or a steel works? This is an extremely complicated issue.

[MR. TED LEADBITTER *in the Chair*]

6 pm

The hon. Member for Beaconsfield mentioned my right hon. Friend the Member for Leeds, East (Mr. Healey) and the introduction of stock appreciation relief in 1975. I think that we would all agree that that relief was given at an extremely generous level. Its function was, in part, that of stock appreciation relief and in part, to do the job about which we are now talking. We could probably agree that it was at least in part intended to cover capital gains that would be taxable but that ought not to be taxable but, as it was too complicated to rebase capital gains so that inflationary gains would not be taxable, stock appreciation relief meant that corporation tax dropped to virtually zero receipts in the closing years.

That was partly because profitability was extremely low as consumer disposable income was suddenly washed out of western countries and into the OPEC countries and it was difficult for people to make profits in the western countries in the period from 1974 to 1977. Stock appreciation relief went somewhat over the top partly in order to compensate the company not only for the cost of replacing stocks at inflationary prices but for the capital gains which they were not making, but which they appeared to be making on paper with rampant inflation in the period from 1974 to 1981.

Mr. Tim Smith: I do not think that stock relief went over the top. Each year it compensated the company, as a deduction from its corporation tax liability, for the extra replacement costs of carrying the same trading stock. That change was forced on the Chancellor of the Exchequer at that time. If he had not made it, many companies would have gone to the wall. However, at the same time, people were forced to pay capital gains tax on similar inflationary gains, and that was wrong.

Mr. Morgan: I do not know whether the hon. Gentleman is completely disagreeing with me or is coming 50 per cent. towards what I said. I do not say that the prime purpose was not stock appreciation relief, because it was. No honest member of the staff of the Inland Revenue would have been willing to engage in administering the scheme if he had thought that its purpose was entirely different from that set out in the rubric. I think that hon. Members on both sides would agree that stock appreciation relief was pitched generously and administered generously to ensure that companies did not go out of business because of inflation, and the Inland Revenue was not too fussy about seeing whether what it was administering was strictly stock appreciation relief or a combination of the extraordinary tax liabilities that could arise not only out of stock appreciation but on capital gains which were not real, but which could place an extraordinary capital strain on companies. As a result, the tax take on corporation tax disappeared virtually to zero in the closing years of the period from 1976 to 1981. It brought in virtually no revenue because stock appreciation relief was generous and was doing part of its job.

In stripping out the 1965 to 1982 capital gains and, in particular, in stripping out the hyperinflation of the period from 1974 to 1981, we must have regard to the fact that we might be compensating people twice—once for what has already been done by the over-the-top element in the stock appreciation relief, which meant that companies simply did not pay corporation tax, and, secondly, in the formal structure of the rebasing provisions that we are discussing today.

Are we talking about fairness—in other words, a major effort to strip out statistically exactly what were the inflationary gain and not to tax those—something with which we would all agree—or are we talking about somehow or other restructuring the capital gains tax system so that it encourages the economy to perform better so that assets can be freely traded at a fair level and people do not get bogged down in paperwork when they are trying to run businesses and so on? Again, we would agree with that aim. However, we would not be happy with the explanations that we have heard so far, as they have jumped about from fairness to performance and from performance back to fairness. We need to know the real purpose behind this rebasing provision.

Mr. Nicholas Winterton (Macclesfield): I hope that the hon. Member for Cardiff, West (Mr. Morgan) will forgive me if I do not follow his line of argument. However, he made one point to which I would respond as a Back Bencher on the Government side. What the Government are doing is a rough and ready way of solving the dreadful problem of inflation that plagued this country from 1965

[Mr. Nicholas Winterton]

to 1982. Some of the matters to which the hon. Gentleman drew the attention of the Committee are valid and I am sure that my right hon. Friend the Paymaster General will be responding to them positively and constructively.

Dr. Marek: Perhaps the hon. Gentleman could give us a rationale about the comparison between housing benefit and the changes in social security? The Prime Minister said that when one has reorganisation, there are gainers and losers, but in this reorganisation of capital gains tax and rebasing to 1982, there are no losers—they are all gainers.

Mr. Tim Smith: There are losers.

Dr. Marek: No, there are only gainers.

Mr. Winterton: There are occasions when it is better not to give way, and this may have been one. I made strong representations to the Government on the matter of housing benefit and social security reform because I felt that they pitched the capital limit and started the taper too low. As the House knows, my right hon. Friend the Secretary of State for Social Services promised amendments which will be introduced by regulations. That has eased the situation, although I wish that he had gone further than he has. In these social security reforms there have been gainers and losers. I agree that, under the capital gains proposals in clause 91 and schedule 7, everybody gains.

Mr. Tim Smith: No.

Mr. Winterton: Yes. Everybody gains in some way, and some more than others. That is my understanding of the situation. I shall address my remarks to one particular sector, and I hope that my right hon. Friend the Paymaster General will consider my argument and see whether it is possible for the Government to introduce some amendment at a later stage of the Bill, perhaps on Report, to meet the problems that face minority shareholders in a small private unquoted company. There is no doubt that this group of people lose out under these proposals. It is an extremely complicated matter, and generally small businesses and private companies welcome what the Government are doing. It is good news for all old established private companies which may seek a quotation on the London stock exchange at some time.

However, the capital gains provisions produce a surprising effect. If the shares of a private company are owned by a single shareholder, these capital gains are entirely free from capital gains tax. On the other hand, in a family business, where the shares have been shared out among members of the family perhaps to give—again very much in accordance with Conservative philosophy—succeeding generations a continuing interest in the development of the business, then if, for example, there were five equal shareholders, those indexed capital gains to March 1982 will effectively be taxed not at zero rate, as for a single shareholder, but at about 30 per cent. That was confirmed to me by a tax barrister who examined the legislation.

The Revenue considers that such shareholders are minority shareholders without influence, and therefore the deemed cost of their shares is reduced by about 75 per cent. That has the unfortunate effect that the retiring owners of family companies, if the Bill goes through unamended, will be strongly discouraged from transferring their shares to their children, or indeed to others who may be working in the business.

There have been letters on the subject in the *Financial Times*, and I believe in other papers. A letter from a City firm of chartered accountants refers to a letter

"contrasting the taxation consequences of a complete sale of a company by a single shareholder with that of a sale by five family shareholders,"

which, its experts say,

"highlights an important anomaly made worse by the 1988 Budget proposals."

The letter goes on to provide an even more curious explanation of what is going to happen. It says:

"In fact the anomaly is even more curious. If the business had either been carried on by a partnership or by a company owned by a partnership, even with five proprietors the 31st March 1982 valuation would have been on a controlling interest basis. This follows the Inland Revenue's Statement of Practice 1/75 which includes the following paragraph."

I hope that the House will excuse me if I read it out, as I think it is important:

"'Where it is necessary to ascertain the market value of a partner's share in a partnership asset for capital gains tax purposes, it will be taken as a fraction of the value of the total partnership interest in the asset without any discount for the size of his share. If, for example, a partnership owned all the issued shares in a company, the value of the interest in that holding of a partner with a one-tenth share would be one-tenth of the value of the partnership's 100% holding.'"

The letter finishes with a plea:

"The relevant provisions in this year's Finance Bill are to be debated"

today.

"It is to be hoped that an appropriate amendment will be tabled."

I could have tabled an amendment, but the matter is extremely complicated, and I believe that the Treasury needs to consider it very carefully. The anomaly existed before, but it is made worse by the changes in the Bill. I have had the privilege of discussing the matter with the Financial Secretary, in my view, all too briefly. In addition, it is my intention to submit to the Treasury my views and evidence in writing, suggesting amendments and asking for its views on those amendments, so that at a later stage of the Bill, hopefully, the Government will understand the problem and the particular difficulties that the proposals will cause to minority shareholders in private unquoted companies. I am confident that my right hon. Friend and his ministerial colleagues did not intend that to happen when they proposed these fairly radical changes in the Budget.

I end my remarks—I hope that they have been constructive—by saying that I am seeking the understanding of the Committee and, more difficult, of the Treasury. I hope that my right hon. Friend will take my remarks to heart and discuss them with the Treasury, and hopefully, at a later stage in the Bill, table amendments to remove, or at least to reduce, the anomalies, which I believe are unfair and should be rectified.

Mr. Doug Henderson (Newcastle upon Tyne, North): You may recall, Mr. Leadbitter, that I made my first contribution upstairs in Committee when you were in the Chair. It is a privilege for me to make my first contribution in Committee of the whole House under your chairmanship.

Conservative Members will recall that before this Government came to power political parties in this country accepted the need for a degree of progressivity in tax on income and capital.

Mr. Boswell: Will the hon. Member give way?

Mr. Henderson: Perhaps later. I have hardly begun my speech.

It is most disturbing that clause 91 is a further step towards denting any belief in progressivity. Clearly, as Conservative Members have already acknowledged during the debate, it helps the richer sections of the community.

6.15 pm

Hon. Members will recall that capital gains tax was initially introduced because of the very obvious weaknesses in estate duties. We have heard from my hon. Friend the Member for Cardiff, West (Mr. Morgan) about the debate on stock appreciation during the 1970s. The Committee will recall that that debate was about capital that was held by individual citizens. I recognise that the changes which took place in 1982 on indexation are welcome. We cannot criticise those changes six years later. They were necessary on the grounds of efficiency, so that the real value of a particular asset was assessed when it was transferred from one individual to another.

I can say to Opposition Members that, whether the issue is social justice in relation to capital gains or whether it is revenue, the Government of the day can alter the rate of tax which applies at a particular level. I accept completely that there should be indexation.

I was interested to hear the argument put forward by the hon. Member for Beaconsfield (Mr. Smith). I hope that he will not be offended, but even he—renowned as a fairly strong supporter of the Government—understands that if there is no form of indexation prior to 1982, it will be a free ride for the holders of capital during that period.

I do not think that that can be justified on any grounds. It certainly cannot be justified on the ground of social justice or of tax revenues, and we are always hearing from Conservative Members about the need to maximise revenues. I hope that Conservative Members will accept that it cannot be justified on grounds of efficiency, because the real value of the transfer of a particular asset would not be taken into account. We are talking about efficiency in the economy and the need for some people to dispense with assets that they do not need at a particular time or, when they decide to get rid of them and transfer them to others who need them for productive reasons, that that should be done through a fair system.

Mr. Boswell: I am most grateful to the hon. Gentleman for giving way. I did not wish to interrupt him earlier in his speech. I wish to raise two points. First, does he accept that, under the new basis for capital gains tax, for the first time there is a progressive system in relation to long-term gains at 25 per cent. and 40 per cent? Secondly, bearing in mind that some of the assets purchased on or before 1965 may not be realised for 50 years, is he confident that even the Inland Revenue could conduct a realistic valuation of the 1965 basis of private companies in the year 2015?

Mr. Henderson: I am grateful to the hon. Gentleman for raising those two points. I shall return to his second point later. I was going to mention it in any case.

On the first point, I agree that it is desirable that there should be some progressivity in the rate of tax that is charged. On the face of it, this is so, compared to the previous system.

The hon. Member for Daventry (Mr. Boswell) will remember that under a Labour Government capital gains tax was higher for everybody. Capital gains tax is being restored for certain sections of the community, but the hon. Member for Daventry, who has a good working knowledge of how taxation affects the farming community, will be aware that when, under the new system, the marginal rate of tax applies to capital gains, it will be easy for a male farmer with a higher income to transfer an asset to his spouse with a lower income from another source. She will then be able to claim capital gains tax at 25 per cent. In that sense, it is not progressive. The Committee upstairs will consider in more detail the principle of separate taxation. I accept that principle, but anomalies have been created that have undercut the arguments in favour of capital gains tax progressivity.

Rebasing cannot be looked at in isolation. We have to consider the background to rebasing. The fact that only one out of 100 taxpayers will be affected is a telling point that cannot be ignored. We have to consider also the changes that were made in 1986. Lifetime gifts are no longer liable to capital transfer tax. Many asset holders have been let off the tax hook. Having already been let off the tax hook, they are now being given a free ride on the assets that they held before 1982. A tax lawyer has told me that the capital assets of families are now on a permanent tax-free merry-go-round and that some assets will have more owners than there were owners of the Rowntree share certificates during the last few weeks. That is true. Transfers will be made from one member of a family to another at the lower rate of tax, whenever that is possible.

Other background factors have to be taken into account when considering the corporate sector, whose tax liability has already been reduced, due to the reduction in the rate of corporation tax. That, too, will be let off the hook on its asset values before 1982.

The Government claim that they are tax reformers, but the impact of many of the Government's changes, including clause 91, is to dismantle taxation measures in such a way as to benefit the rich. The rich have gained dramatically. My hon. Friend the member for Edinburgh, Central (Mr. Darling) said that the effect of the proposed changes is that £55 million will be given to individuals in 1989-90 and that £235 million will be given to companies. The speculators of the 1970s who were out to make a fast buck by buying property are now being let off the hook by the Government, who say that they will protect them from losses that were made before 1982, by allowing their losses to be set against gains that were made after 1982. I suggest that that is to have one's Nigel cake and eat it.

The Minister said that the records that would enable another course of action to be taken do not exist. That argument is unacceptable. It bears little relationship to the way in which business is conducted. We are dealing largely with property and shares. Records of the purchase price of property are always kept. Records are also kept, at both ends, of transactions in stocks and shares. They are kept by the current holders of the shares and by the institutions that sell stocks and shares. If the argument were reversed and if it were said that anybody who held an asset before 1982 would be given an additional bonus in the 1988 Budget, provided that they could say what was the original

[Mr. Henderson]

price of the asset, I am sure that the records would soon be found. Even small farmers would quickly find the records that would enable them to qualify for their bonus. The argument that records have not been kept is unacceptable.

I have received a letter from a gentleman who is living on £73·53 a week invalidity benefit. He has lost £8·19 a week because of the housing benefit changes. Why is there to be this free ride for the rich on the value of their assets before 1982 while this poor fellow, who fought for his country and who is now suffering for it, has lost over 10 per cent. of his real income? If he is told that he has to suffer because the economy has become more efficient and that we shall all gain from it in the longer term, he might understand the argument, even though he might not agree with it. But if he is told that all this money has been given away to the rich because property records or records of stocks and shares cannot be found, he will say that he does not believe it. I should be tempted to agree with him. We are responsible for monitoring the changes to the fiscal law. We must challenge the Government when we believe that the legislation they have introduced is unfair.

Mr. Butterfill: Does the hon. Gentleman accept that it is not always the record of the purchase price that is in question? It may be the value of the property at 5 April 1965 that is in question. If an asset were acquired before that date, one would have to provide a theoretical valuation of what that asset was worth at that time. It may be difficult to establish that value, if the asset is property. Properties around it may have been bought. If the property is in a clearance area, the surrounding properties may have been knocked down. The asset may have changed materially since 1965.

It may also be difficult to prove what the condition of the property was at that time—for example, whether it had central heating, or whether central heating was installed subsequently. It is difficult to make a theoretical valuation for property. It is even more complicated if the property is not owner-occupied. It may contain several tenants, in which case it may be necessary to look at the nature of the leases at that time and at what might have happened to those leases. It would also be necessary to consider by how much the rent and investment yields may have increased in relation to income. Those are all theoretical points, and my profession would have to make a guess about those assets in 1965. It is by no means as simple a problem as the hon. Gentleman makes out.

Mr. Henderson: I do not wish to be flippant, but I recall a professor of economics telling me that one could be Chancellor of the Exchequer with first-year university applied economics. I do not know whether that is true, but, with something less than first-year university applied economics, one could work out an approximate evaluation of assets held in 1965. It is a question of the retail prices index compared with other indices, and the hon. Gentleman knows that to be the case.

6.30 pm

The Minister must put forward convincing reasons why that effective handout to the rich should be made. Will he argue that the additional relief will aid business? That will be difficult to argue because, as I understand it, most assets that are clearly seen to be productive towards business are largely exempt from capital gains tax in any case. I cannot therefore see any argument that the Minister can make out for that case, although I shall listen with interest to his reponse.

It is sometimes argued that we have to hand out money because we must make more available for investment in industry in this country. Again, it will be interesting to see whether the Minister deploys that argument, but, if there is an argument for investment, it does not matter whether it is in the public or private sector. It does not matter whether the Government build a new railway line between London and Dover or whether it is done by the private sector. In either case, it will probably cost a similar amount. Such arguments will not cut much ice with my disabled constituent who has already raised with me the question of the lack of social justice.

It is also argued that it is not worth while having an assessment before 1982 because it would cost more to assess the asset than the amount that would be raised. That argument cannot be made out, because the cost will not vary very much, whichever dates are used. My constituent will not be particularly charmed if the Minister comes forward with that argument.

The Conservative party has often said, particularly before it came to power in 1979, that it was necessary to do some things in the national interest that might be unpalatable, but, even on this occasion, it cannot clam that it is in the national interest. The Minister should admit that this is part of the handout to the Government's rich backers and supporters and that the benefit to the rest of the community is nil.

I hope that those Conservative Members who have noted the philosophical arguments that have been put forward, and other Conservative Members, such as the hon. Member for Beaconsfield, who have recognised the technical arguments, will join us in opposing clause 91.

Mr. Campbell-Savours: I shall be brief, as I have already spoken twice on the Bill. I want to address the point made quite reasonably by a number of Conservative Members about the difficulties of valuing assets for the purpose of estimating their value up to 23 years ago.

The Inland Revenue has much experience of those matters. As I understand it, it is now doing precisely that. That is how it assesses capital gains tax liability. In all my years in this place, I have never had any complaints from constituents about unreasonable treatment in the valuation of their assets. I assume that the Inland Revenue would have been involved in estimating the value of assets held between 1965 and 1982. Perhaps the hon. Member for Bournemouth, West (Mr. Butterfill) will intervene if I am wrong. If he accepts that the Inland Revenue has such experience, surely that destroys any argument that may be used about the principle of valuation.

Mr. Butterfill: The hon. Gentleman tempts me to intervene. I have certainly received many complaints about that matter and perhaps I can give him an anecdote from my experience. Only six months ago I managed to agree with the Inland Revenue the final computations in respect of a sale of shares in a company that I was running and that I sold at the end of 1976. It has taken almost 12 years to agree the valuation. That is due to the complexities that can arise in respect of private companies and properties. A whole division of the Inland Revenue deals with those

matters day after day. Those people have a high level of expertise, but the complexity of the transactions is enormous and the cost to the taxpayer great.

Mr. Campbell-Savours: The Inland Revenue may have a whole division involved in valuing such things, but I am sure that it has the necessary expertise. In eight years, no constituent has ever brought such a case to me, and I am sure that is true of many of my hon. Friends. Accountants in my constituency are keen to come to me if they want my support in making representations, and I willingly provide it wherever possible. I am sure that they would have come to me if the problem had existed.

Those matters are exaggerated because they serve the purpose of the argument. The Government may introduce the measure not only to help a small minority of people, but because they are obsessed with reducing the number of civil servants. They may believe that they can make economies in Civil Service numbers in this area when another Government of a different political persuasion might be less keen to make so-called economies.

I wish to simplify the matter for the general public who may have difficulty in following our debates. If they listen to what is being said in Committee today, they may not understand what we are talking about. I want to make it clear what we are talking about.

If, between 1965 and 1970, a person bought a painting for £100,000 and decided to sell it this year for £10 million —the last £5 million of that having accrued between 1982 and 1988—the first £5 million, which represents the increase in value between 1965 and 1982, would not be subject to tax.

Mr. Boswell: Will the hon. Gentleman tell the House how much tax has already accrued to the Exchequer under the previous regime on that notional gain which is now hypothetically released? Will he also tell us how much capital gains tax would accrue to the Exchequer under the present regime, if the person were to die possessed of that asset?

Mr. Campbell-Savours: I can only say what the Minister would say to the hon. Gentleman, although I do not have an hon. Friend to whom I can turn for a reply. If he gives me written notice of the question, I assure him that I will give him an answer when I have secured it from the Minister.

I should like to make it clear to those who are listening to our debate today that many people, although they may be few as a proportion of the population, will make millions of pounds out of the concession. They will simply not be liable to tax. That is what we object to.

My hon. Friend the Member for Cardiff, West (Mr. Morgan) spoke most ably about the problems that arose with stock relief in the late 1970s. It should be admitted that stock and appreciation relief related not only to a fixed volume of stock. In practice, people claimed relief on an increasing volume of stock over a period of years. Many people thought that an abuse of the scheme, but it was extremely difficult for the Inland Revenue to keep a check on it. One hon. Gentleman is an accountant, and I think that I once heard him talking about this matter at a meeting outside this Chamber. He might care to confirm that I am right. It could be argued that that was a windfall for much of British industry as it was able to avoid tax within the law.

Such a process led to an increased value being put on companies. If that increase were realised before 1982, it could be said to be an increase which bore no relation to increases as a result of inflation. Surely such an increase should be subject to capital gains tax.

Many people invested in assets in the hope that, one day, there would be a law to reduce liability. People invested in coins, stamps, furniture, paintings and antiques, often in the belief that what is happening today would happen. It is they who will be substantial beneficiaries. I only hope that when the Government's proposed changes are evaluated outside, the majority of people will understand that a very small number will today, as a result of this concession, gain a very large amount of money. That is happening at a time when people at the bottom of the income scale are gaining almost nothing. Indeed, they are losing.

Dr. Marek: I should like to echo what my hon. Friend the Member for Workington (Mr. Campbell-Savours) said. He encapsulated the debate in his last two sentences. A very few people will make a lot of money from the clause.

Yet again, more Opposition Members than Conservative Members have spoken. One or two Conservative Members have tried valiantly to defend the indefensible, but, by and large, the Conservative Benches have been silent and only Opposition Members have recognised the effect of the tax and been able to deploy the arguments.

The hon. Member for Beaconsfield (Mr. Smith) is muttering something. I understand that he is retained by Price Waterhouse. If he wishes to intervene, he should stand up and I shall give way to him.

Mr. Tim Smith: I am most grateful to the hon. Gentleman for giving way. He cannot have been listening carefully because, to take the example given by the hon. Member for Workington (Mr. Campbell-Savours), if a man bought a painting for £100,000 in 1965 and sold it for £550,000 in 1982——

Mr. Campbell-Savours: I said £5 million.

6.45 pm

Mr. Smith: Before the clause was introduced, such a man would have been taxed on the whole gain, but the gain is a purely inflationary one. The rate of inflation over the relevant 17-year period was 450 per cent.

Mr. Campbell-Savours: I said £5 million.

Mr. Smith: I was taking a different example.

Mr. Campbell-Savours: The hon. Gentleman said that he was taking my example.

Mr. Smith: It is unfair that that 450 per cent. gain should be taxed at all.

Dr. Marek: The only thing that I can get out of that intervention is that there must be a lot of paintings hanging in the offices and boardrooms of Price Waterhouse.

Mr. Morgan: Price Watercolours!

Dr. Marek: Indeed. The House should reflect on the alleviation of capital gains tax and compare it with housing benefit. People on income support and those in

[Dr. Marek]

receipt of housing benefit do not know what will happen to them. Local authorities cannot tell them what will happen. The Government were rightly forced to make changes to their new system.

The Government announced on Budget day that CGT would be rebased on 1982. I maintain that there are only gainers from that change. Moreover, the Government left three weeks for people who pay CGT to arrange their financial affairs to their advantage. The new system came in on 6 April. That sums up the Government's philosophy. The rich—those who pay CGT—know that nothing the Government will do will upset them. Indeed, the Government will ensure that their tax charges diminish. People who depend on social security, income support or housing benefit, however, have all sorts of administrative difficulties put in their way. They do not know how much money they will have to live on next week. They have to keep guessing, but they know that money will be taken away from them each year.

The Committee has been occupied for about three hours considering the case of about one in 100 taxpayers, because that is how many pay CGT. From 1991, each individual will have a CGT allowance of £5,000. Certain married couples will benefit to the tune of £50 million in the coming financial year. The tax-free allowance remains at £5,000, but that should be compared with the single allowance of £2,605. Where is the morality there?

Mr. Boswell: Does the hon. Gentleman agree that companies also pay capital gains? They have shareholders —approximately 9 million of them—all of whom are potential capital gains tax payers.

Dr. Marek: I was talking about individuals who pay capital gains on unearned income. There is no fiscal equality in a single allowance for earned income, which involves the loss of leisure time, of £2,605 when the allowance for CGT, which involves no work at all, is £5,000.

Mr. Brooke: It would be helpful if the hon. Gentleman would clear up one matter regarding which we were left in doubt last night. I refer to the Opposition's policy on the capital gains exemption for married couples. The two speeches made by Opposition spokesmen lead in conflicting directions. Is the hon. Gentleman proposing that the exemption for couples should not exist or that there should be only one exemption for everyone?

Dr. Marek: I will not answer that question now, for one good reason. We are here debating a Finance Bill that has not been introduced by the Opposition. I shall be delighted to answer the hon. Gentleman's question in due course, when we are seated on the Government Benches. We are discussing a Finance Bill introduced by the present Conservative Administration—it is their seventh or eighth Bill—and the present proposals before the Committee will give a very few people a very large amount of money. There is no doubt about that.

As to exemption for capital gains between married people, that is a subject of which the ordinary man or women in the street has no comprehension. They have no idea what it is about, and they wonder why the House of Commons spends three or four hours discussing it. The ordinary married couple do not pay capital gains tax and have not even heard of it. Yet the Paymaster General was trying to create a rift over what was said last night by my hon. Friend the Member for Newcastle upon Tyne, East (Mr. Brown) and by my hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) where no rift exists. If the right hon. Gentleman will read last night's debate, he will see that the Opposition's case is clear. We oppose massive handouts to wealthy people who do not work for that wealth, and who will enjoy even more wealth as a result of the Bill.

Mr. Brooke: Last night, the two Opposition Members to whom the hon. Gentleman referred gave conflicting interpretations, and he is not prepared to say which of them is correct.

Dr. Marek: I have it directly from the words of my hon. Friends the Members for Newcastle upon Tyne, East and for Islington, South and Finsbury. The comment of the right hon. Gentleman is clearly untrue and there is no rift among the Opposition in expressing its feelings about this iniquitous measure, which creates more riches for those who are already rich.

I return to the subject of the way in which wealthy married couples will benefit from these measures. As each spouse will have their own £5,000 allowance, they will not be able, as they have in the past, to aggregate their gains and losses. However, what is to prevent one spouse from transferring his or her losses by a transfer of assets at nil loss or nil profit to the other spouse, in order to set that loss against the other spouse's gains? I hope that the Paymaster General will pay careful attention to that point, which was raised by my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson). It clearly reveals a flagrant loophole established by the Government in order that wealthy people may evade capital gains tax. Will the Paymaster General close that loophole? Is there to be wide interpretation of artificial transfers? That loophole clearly exists and something should be done about it.

Mr. Butterfill: Does the hon. Gentleman include in his definition of the wealthy the sons and daughters of people who may have purchased their council houses and bequeathed them to their children? Such beneficiaries may be left with a few thousand pounds, which they choose to invest in stocks and shares—there are some 9 million shareholders in this country. Are they among the "wealthy" whom the hon. Gentleman wants to tax? Will he discriminate against wives and husbands in that way? Many people who might otherwise be Labour voters may wish to know the answers to those questions.

Dr. Marek: There is a simple answer to the hon. Gentleman's submissions, and it is no. I do not need to detain the Committee any further on that point.

Mr. Butterfill: Oh!

Dr. Marek: The answer is clear—it is, no. The hon. Gentleman asked me whether I considered such people to be wealthy. My answer is no, and that ought to be the end of the matter.

I shall now describe to the Committee some of the actions which the Government have taken in relation to the old capital transfer tax, which is now renamed the inheritance tax. I may say, first, that accountancy practices have benefited greatly from the last few years of the Government's various Finance Bills. I am sure that the

hon. Member for Beaconsfield will agree. Those firms have paid high salaries to attract staff from the Inland Revenue. I do not know of any particular firm which has done that, but I know that many firms in the aggregate have done so. As a result, many people have left the Inland Revenue, so impoverishing the compliance with tax collection that the Inland Revenue has been able to achieve—particularly in respect of capital gains tax. That is in spite of having lower and lower tax rates, according to the Government.

I am not criticising accountancy firms for doing anything illegal, but the work created for them by the Government is in addition to privatisation issues and public sector business. Therefore, those firms are now extremely profitable. It is interesting to ask which firm is sequestering the assets of the National Union of Seamen and how much that firm is getting out of it. The truth is that capital gains tax is not getting easier as the years go by simply because rates are getting lower or because there will not be any problems as a result of rebasing to 1982. In fact, accountancy firms—I do not object to this—will continue to place great emphasis on devising for their clients the best methods of adjusting their tax affairs.

The answer to it all is not to keep on the track which the Government are following, of giving handouts to the rich, but to try to police the existing tax laws effectively. The Opposition believe that that policing is something to which the Government have not given a great deal of attention. Is it, for example, the Chancellor of the Exchequer's mission in life to provide a living to accountancy firms —[HON. MEMBERS: "Yes!"] No, that should not be the case, but I am glad at last to have the agreement of some Conservative Members. Unfortunately, because of the way in which the Government are formulating their policies, taxes are more and more difficult to apply, with the result that even more livings are to be made by those in accountancy firms working for their clients in avoiding as much capital gains tax as possible.

The provision for rebasing to 1982 is most iniquitous. The point has been made that inflation was 450 per cent. between the time when the tax was introduced in the 1960s until 1982. However, there were many real gains made over and above any inflationary gains. My hon. Friend the Member for Cardiff, West (Mr. Morgan) made that point and described some of the gross anomalies which exist. One action the Government could have taken was not to make any change whatsoever.

It is the job of Inland Revenue to negotiate with those who wish to make gains by selling their assets at a particular time, in order to achieve a satisfactory valuation. I am sorry to hear that the case of the hon. Member for Bournemouth, West (Mr. Butterfill), took 12 years to resolve but that is not a criticism of the law—it is a criticism of the way in which the law is interpreted by accountants and by the Inland Revenue. Other ways can be found of ensuring that valuations are arrived at much sooner.

If the Government intended to do anything about capital gains tax before 1982, they should not have swept it away. I reiterate that the Government are giving away a lot of money to a very few people.

I make now my point about the inheritance tax. When that concession is added to the gifts that will be made to people who pass on their estates under the inheritance tax we shall be discussing next, to the cut in the top rate of income tax from 60 per cent. to 40 per cent., to the disaggregation of married couples' incomes—and none of us on the Opposition Benches are against separate taxation for married couples—and to the windfall gains that will be made by wealthy married couples as a result of the proposals, the result is a most iniquitous, thoroughly immoral Budget. Clause 91 is one of its immoral clauses, and we shall vote against it.

[MISS BETTY BOOTHROYD *in the Chair*]

7 pm

Mr. Brooke: This has been an excellent and enjoyable debate——

Mr. Campbell-Savours: The right hon. Gentleman has been well primed.

Mr. Brooke: As the hon. Gentleman says, I am looking forward to replying to it.

The hon. Member for Newcastle upon Tyne, East (Mr. Brown) raised a number of questions about the consequences and purposes of the clause. It is the clear intention of the clause to unlock gains which will be taxed at higher rates. The hon. Member for Edinburgh, Central (Mr. Darling) quoted the costs in terms of relief for both individuals and companies in the coming year. He did not quote the £65 million in 1989-90 that we shall secure as a result of the rate change in capital gains tax, or indeed the £15 million that we shall secure as a result of the change to the annual exemption.

The beneficiaries—as the hon. Gentleman said in a side wind—will also be the life insurance companies and the holders of policies in those companies. The hon. Gentleman made much play of the gain that will be made by property companies—and, indeed, the gains of other companies—but, as has been said, those will be taxes in the hands of the shareholders. The hon. Member for Wrexham (Dr. Marek) dismissed that, as though shareholdings were in some way disembodied, and that may well explain what has lain behind much Socialist policy in the past. The fact remains that those gains will be taxed when the individual shareholders realise their own gains.

The hon. Member for Newcastle upon Tyne, East mentioned those who might gain. But for higher rate taxpayers generally, the overall capital gains tax reform is likely to be broadly revenue-neutral. My hon. Friend the Member for Macclesfield (Mr. Winterton) implied that there would be no losers. Alas, the role of the dodo in "Alice's Adventures in Wonderland" cannot be played in terms of these clauses, because unquestionably there will be losers.

I was asked whether I was suggesting that all gains were inflationary. Of course the Government are not saying that, but we cannot return to 1965, for the reasons that we have adduced during the debate.

Mr. Nicholas Brown: I am grateful to the Paymaster General for giving way, because this question is at the heart of our objections. We accept that in the 1970s inflation created some anomalies, and in an intervention I said that we agreed with the Government that the matter must be dealt with. Surely, however, the Government do not contend that every potential capital gain created in the 1970s was caused by inflation alone. If that is not their contention, what reason can the Government give to the Committee for exempting everything prior to 1982 from tax?

Mr. Brooke: I do not think that the hon. Gentleman heard what I said a moment ago. I agreed that all gains were not inflationary. What I was saying—and I shall say it again—was that the information does not exist to enable us to take indexation back to 1965, which by implication would be the solution that the hon. Gentleman suggests.

Mr. Darling: Is the right hon. Gentleman saying that no information exists for before 1982? Surely, while it is perfectly possible that information concerning events in 1965 is more difficult to come by, information for 1981, 1979 or 1977 could readily be acquired. If the right hon. Gentleman concedes the principle that there are pre-1982 non-inflationary gains, he could at least have made some attempt to go further back. The hon. Member for Beaconsfield (Mr. Smith) agrees.

Mr. Brooke: I do not know what makes the hon. Gentleman believe that all details in a particular year would readily be available. Some details in each of the years going back to 1965 would be difficult to secure.

Mr. Morgan: The right hon. Gentleman is now adducing a new principle—that there should be no taxation without information, and that taxation is possible only where records exist. Surely that is an incentive for the destruction of records, and the proposal becomes impracticable. Is the right hon. Gentleman really saying that the main motive behind the legislation is the absence of records?

Mr. Brooke: The hon. Gentleman may well have given me a soubriquet with which I shall go down in history. Our concern, however, is the particular detail that is required to reopen questions back to 1965 in terms of indexation when the information is not universally available. The point that I have made from the beginning of the debate is that indexing back to 1965 is not a feasible proposition because of the lack of available information, and that is the position on which I shall stand.

Several Hon. Members *rose*——

Mr. Brooke: I should like to make a little progress. I shall be on my feet for some time to come.

The hon. Member for Wrexham declined to state the Opposition's position on exemption. Conflicting opinions were given by his hon. Friends——

Mr. Nicholas Brown *rose*——

Mr. Brooke: I am responding to the hon. Member for Wrexham. He asked me whether I had read the report of the debate. I have had the advantage of reading it, whereas all that he did was to consult his hon. Friends the Members for Newcastle upon Tyne, East and for Islington, South and Finsbury (Mr. Smith). A question remains which the hon. Member for Wrexham noticeably declined to answer. We do not know whether that was because he did not know the answer, or because the Opposition have not yet decided. That question is whether the exemption will be lower for everyone, or whether there will be no exemption for married couples.

My hon. Friend the Member for Daventry (Mr. Boswell) raised the subject of milk quotas. Two possibilities may arise. Milk quotas are assets that did not exist in 1982: the European Community rules under which they exist were introduced later.

Mr. Nicholas Brown: The right hon. Gentleman suggests that there is some confusion, at least in his mind, about Opposition policy on capital gains tax and disaggregation. I think that it is a bit wide of the clause, but if he were to explain precisely what his misunderstanding is, we could deal with it. So far he has alleged inconsistency, but he has not told the House what it is. I suspect that the inconsistency is in his own mind alone, because no one else has picked it up.

Mr. Brooke: I am surprised that the hon. Gentleman should wish us to explore that further. He will remember that, in the context of the individual's £5,000 exemption, he accused the Government of

"not arranging the allowances so that the change is neutral in terms of the public purse."

He may wish later to explain what he meant by that, but it was a statement.

The hon. Member for Islington, South and Finsbury also said:

"If the Government removed the £5,000 exemption allowance from capital gains tax, we would be entirely and immediately in favour of independent taxation of capital gains."—[*Official Report*, 9 May 1988; Vol. 133, c. 88-111.]

In those circumstances it is reasonable for me to ask whether what they are proposing is no exemption for couples, or a lower exemption for everyone. If they are intending to remove the exemption, that would bring 9 million shareholders under the capital gains tax regime, which require universal tax returns for 30 million people and involve the employment of a further 1,000 to 2,000 Inland Revenue staff.

Mr. Nicholas Brown: There is no inconsistency in that. We are putting proposals to the Government. My hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) stated something that would be overwhelmingly acceptable and I stated something that I should have thought the Minister would see as being closer to his position. We were not setting out the Labour party's position; we were stating things that the Government should have considered but did not.

Mr. Brooke: I am conscious of the difficulty that the Opposition are having in terms of determining their policy on anything. However, to discuss it in Committee of the whole House during debates on the Finance (No. 2) Bill, with different hon. Members on the Opposition Front Bench putting forward a series of different proposals in order to get a reaction from the Government, seems to be an extraordinary way for Her Majesty's loyal Opposition to go about deciding their policy. It is reasonable for us to seek to know what the policy is, because 9 million shareholders in this country are affected by it.

I shall return to the subject of milk quotas. There are two possibilities. The first, which will more frequently happen, is where a milk quota is disposed of at the same time as the associated farm land. Where that is so, the full benefit of rebasing will, where appropriate, already be available under the Bill. That will be done through the computation of the gain on the farm land itself. Splitting it between the land and the quota will achieve nothing extra.

The second—a more rare occurrence—is where the quota is sold separately from the land. Under Ministry of Agriculture, Fisheries and Food arrangements, the Ministry may buy back quota from a dairy farmer under what is known as the outgoers scheme. In those more

exceptional circumstances, quota may be disposed of independently of the land. The details are complex, but in some circumstances the payment by the Ministry to the outgoing farmer may take the form of income, in which case there is no question of capital gains tax. In other circumstances, the payment may take the form of capital and a gain may arise. However, that gain is not attributable to any asset that the taxpayer held in 1982. The quota did not exist then and it is an asset separate and entirely distinguishable from the farm land, as is clear from the fact that it can be sold back to the Ministry independently of the land. In giving that answer I am also responding to the hon. Member for Caernarfon (Mr. Wigley).

My hon. Friend the Member for Daventry also raised the question of stock dividends. There will be complications when shares issued as a stock dividend are sold if capital gains tax is then payable. However, those complications will not arise for the vast majority of small investors, who will be below the annual exemption.

The hon. Member for Edinburgh, Central asked why we had settled on 1982 for rebasing and not a different year. The reason was, as my hon. Friend the Member for Wanstead and Woodford (Mr. Arbuthnot) said, that market values at 31 March 1982 are already built into the system for indexation. If the hon. Gentleman is asking why the year was fixed at 1982 and not 1979, I should say that that would be a perverse suggestion since there would be a cost to the Revenue in the relief if it had been taken back to the earlier date.

Mr. Darling: The right hon. Gentleman seems to be having a great deal of difficulty with the year 1982. Will he explain why 1982 was chosen? There may well have been a cost, but the Government could have done anything they wanted on the matter of indexation. To return to the point made earlier, why is it that before 31 March 1982 information suddenly becomes patchy, whereas after that there is as much information as the Revenue needs?

Mr. Brooke: I remind the hon. Gentleman that 1982 was chosen because the decision was taken in the 1982 Budget. The hon. Gentleman will recall an exchange between his hon. Friend the Member for Newcastle upon Tyne, East and myself earlier on the subject of the Labour party amendment which suggested the date 1974. That was also a wholly arbitrary date. The hon. Gentleman will recall that it was withdrawn without debate.

7.15 pm

My hon. Friend the Member for Beaconsfield (Mr. Smith) supported the hon. Member for Newcastle upon Tyne, East's point about the 30 per cent. flat rate. He made a most helpful contribution to that subject.

The hon. Member for Caernarfon came back to me on the question of valuation. The hon. Gentleman appears to assume that indexation is computed by reference to disposal value. That is not the case. It is normally computed, under existing law, on market values at 1982. That is the same figure as will be needed for rebasing. The Inland Revenue is experienced in valuing land and other assets at 1982 market values. In spite of the problem in valuation mentioned by the hon. Member for Caernarfon, I noticed that the hon. Member for Newcastle upon Tyne, North (Mr. Henderson) appeared to be prepared to value anything.

I am grateful to my hon. Friend the Member for Wanstead and Woodford for his appreciation of the move by the Government on the subject of the election.

The hon. Member for Gateshead, East (Ms. Quin) asked about real versus inflationary profits during the period concerned. I have already spoken about that. In terms of the behaviour of individual shares on the stock market, it would not be practicable to give indexation relief back to 1965. On average, rebasing is no more generous than indexation back to 1965 would be. The hon. Lady also asked about migration. I am glad to say that under the present Government, with lower income tax rates, the number of those leaving the country is likely to be reduced.

The hon. Member for Cardiff, West (Mr. Morgan), given the historical tendency of the Labour party to argue that our economic success——

Mr. Campbell-Savours *rose*——

Mr. Brooke: I shall come to the speech made by the hon. Member for Workington (Mr. Campbell-Savours).

The hon. Member for Cardiff, West attributed the lack of success in the economy during the previous Labour Government to the problems of OPEC and the oil industry. However, the present Opposition attribute all our success to that, despite the fact that the contribution of the oil industry to the revenues of the Treasury is now small, especially after the fall in the oil price.

My hon. Friend the Member for Macclesfield asked about the valuation of shares in 1982 in private companies. It has been suggested that rebasing has an unfair effect where minority shareholders in a private company sell the company jointly. In those circumstances, the sale price will reflect the control premium, whereas the 1982 valuation will be of individual minority shareholdings. This is not really a rebasing point. It concerns how one values shares at a time when there is no sale. The only basis one can use is open market value—the amount that the particular shareholding would have fetched in the market had it been sold. If people have a minority holding, the market will not value it at the premium that would attach to a controlling or 100 per cent. shareholding. Frequently, when people come to sell, they will sell a simple minority holding and the price they receive will reflect that.

I shall study closely what my hon. Friend said in terms of the letter relating to controlling partnerships. If a partnership does own all the shares in a company, it does so as a single entity, no matter how many partners there are. When it comes to selling the shares, the partnership will act as a single investor. The valuation of the shareholding in the market and for tax will be on a controlling holding basis and, as with other assets, each partner will be treated as having a proportionate interest in that value.

The hon. Member for Newcastle upon Tyne, North came back to the question about records. It seems that there will be a continuing gulf between the Government and the Opposition on whether the records are available. It remains our contention that they are not.

The hon. Member for Workington, who replied to a question put to me by one of my hon. Friends by saying that he would consult me and write to my hon. Friend later, was, I thought, being unduly modest, as earlier in the debate he knew all the answers to questions put to me.

[Mr. Brooke]

The hon. Members for Newcastle upon Tyne, North and for Wrexham referred to the tax on transfers between husbands and wives. We have established ourselves as the party of the family through our proposals relating to independent taxation. The Opposition will be the party of the anti-family, if they are going to introduce taxation on transactions between husbands and wives.

Even after all the changes to capital gains tax since 1979, the yield on disposals this year by individuals and trusts will be about three times the equivalent for 1978-79, which is a real increase of more than 50 per cent. Most of the cost of rebasing lies with companies. Even so, the yield on disposals by companies this year is seven times greater in real terms than the yield in 1978-79.

I rest my case on a final verdict about these proposals. The Institute for Fiscal Studies set up a working party on capital taxes, which in February produced an interim report on reforming capital gains tax. While considering the options for reform open to the Chancellor, the institute happened on what was effectively the Budget package—1982 rebasing, charging gains as the marginal slice of income, a basic rate of 25 per cent. and a single higher rate of 40 per cent. It commented:

"Clearly such a scheme has much to commend it. It would also seem to be the logical counterpart in the personal sector to the reform made in the 1987 Budget in the corporate sector . . . The main objection . . . is that the key problem . . . with CGT is left unremedied, namely its complexity. Still, it cannot be a valid objection to a sensible reform package that it is not perfect."

I commend the proposals to the House.

Question put, That the Clause stand part of the Bill:—

The Committee divided: Ayes 262, Noes 194.

Division No. 293] **[7.21 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alison, Rt Hon Michael
Allason, Rupert
Alton, David
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Tom *(Hazel Grove)*
Aspinwall, Jack
Atkins, Robert
Atkinson, David
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Bellingham, Henry
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bevan, David Gilroy
Biffen, Rt Hon John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Bruce, Malcolm *(Gordon)*
Buchanan-Smith, Rt Hon Alick
Burt, Alistair
Butcher, John
Butler, Chris
Butt[illegible], John
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Mont'g)*
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chapman, Sydney
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Couchman, James
Cran, James
Critchley, Julian
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Fallon, Michael
Farr, Sir John
Favell, Tony
Fearn, Ronald
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Forman, Nigel
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Fry, Peter
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gower, Sir Raymond
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles
Key, Robert
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Kirkwood, Archy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lee, John *(Pendle)*
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
Macfarlane, Sir Neil
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Michie, Mrs Ray *(Arg'l & Bute)*
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Morrison, Hon Sir Charles
Morrison, Hon P *(Chester)*
Moss, Malcolm
Mudd, David
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Michael
Price, Sir David
Raffan, Keith
Redwood, John
Renton, Tim
Rhodes James, Robert
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sayeed, Jonathan
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*

Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speller, Tony
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Stradling Thomas, Sir John
Taylor, Ian *(Esher)*
Taylor, Matthew *(Truro)*
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thurnham, Peter
Townend, John *(Bridlington)*
Twinn, Dr Ian
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wallace, James
Waller, Gary
Walters, Dennis
Ward, John
Wardell, Gareth *(Gower)*
Widdecombe, Ann
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Yeo, Tim

Tellers for the Ayes:
Mr. Mark Lennox-Boyd and
Mr. Stephen Dorrell.

NOES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Anderson, Donald
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Callaghan, Jim
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Dr John
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Henderson, Doug
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
Janner, Greville
Jones, Barry *(Alyn & Deeside)*
Jones, Martyn *(Clwyd S W)*
Lambie, David
Lamond, James
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Dawn
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Thomas, Dr Dafydd Elis
Turner, Dennis
Wall, Pat
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Winnick, David
Wise, Mrs Audrey

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Frank Cook.

Question accordingly agreed to.
Clause ordered to stand part of the Bill.
Schedule 7 agreed to.
Clause 127 ordered to stand part of the Bill.

Clause 128

GIFTS TO POLITICAL PARTIES

Question proposed, That the clause stand part of the Bill.

Dr. Marek: On a point of order, Miss Boothroyd. I was under the impression that we were going to discuss clause 127. In the general hubbub and melee of hon. Members exiting from the Chamber, it appears that the Economic Secretary to the Treasury, who told me that he would take four minutes to open the debate on clause 127, did not catch your eye. I wonder whether he could raise a further point of order on this matter.

The Second Deputy Chairman of Ways and Means (Miss Betty Boothroyd): I am very understanding about and sympathetic to the hon. Member's point of order, but I think that my voice is very clear. It was quiet in the Chamber when I put the Question, and there was no objection to it. Clause 127 has been agreed to.

The Economic Secretary to the Treasury (Mr. Peter Lilley): Further to the point of order, Miss Boothroyd. Is it correct to say that clause 127 could have been dealt with even if it was not moved?

The Second Deputy Chairman: I put the Question on the clause. I looked towards the Minister, who did not move.

[The Second Deputy Chairman]

I then looked towards the Opposition Front Bench and waited for an hon. Member to respond. There was no move to speak. The Question on the clause has been put and the clause has been accepted. If hon. Members on the Government Front Bench do not rise when the Chairman looks their way, there is nothing that the Chair can do about it. Clause 127 has been passed. We are dealing with clause 128. Does the hon. Member for Wrexham (Dr. Marek) wish to speak on clause 128?

Dr. Marek: Further to the point of order, Miss Boothroyd. We need an explanation from the hon. Member for Morecambe and Lunesdale (Mr. Lennox-Boyd), who was trying to get the Economic Secretary not to rise. I certainly saw the hon. Gentleman do that.

The Second Deputy Chairman: If an hon. Member tries to get another hon. Member to remain seated, that has nothing to do with the Chair. The Question on clause 127 has been put. There was an opportunity for Ministers to rise. No one did. Clause 127 has been accepted. We are now dealing with clause 128.

Mr. Calum Macdonald (Western Isles): Further to the point of order, Miss Boothroyd. I do not know whether it is appropriate for Back Benchers to oppose a clause. I said no, with some hesitancy because I was looking at the Opposition Front Bench. I suppose that I said no with my normal accent, which people say is very soft-spoken.

The Second Deputy Chairman: Any hon. Member can oppose a clause. I have perfect hearing. I am not sitting in the upper Chair which has wings that prevent my hearing. I heard no opposition to the clause.

Mr. Lilley: Further to that point of order, Miss Boothroyd. May I make it clear that I did not want to deprive the Opposition of the opportunity to have a debate. Is it possible within the rules of the House of Commons for us to interpret broadly the meaning of clause 128, so that we can cover the topics in clause 127, which are essentially the same, since they involve inheritance tax? Perhaps we can do that, if it is agreeable to the Opposition.

The Second Deputy Chairman: The hon. Member has a sympathetic way of putting things to me. I think that that course would be very agreeable.

Dr. Marek: I thank the Economic Secretary to the Treasury, although I suspect that the real culprit is the hon. Member for Morecambe and Lunesdale, who never says anything in the Chamber. I unreservedly thank the Economic Secretary for suggesting that course and I thank you, Miss Boothroyd, for accepting the Economic Secretary's suggestion that we have a wide debate. Of course, we shall not be able to vote on clause 127, since we are technically on clause 128, but we will be able to have a debate on it. It is important that the country should understand the Opposition's reservations about the changes in inheritance tax and in respect of gifts to political parties.

I must now depart from the all-party accord that has developed over the past few minutes, to focus on the points of dissent on this issue. We must focus on the super-rich because, I say again, this is exactly what the Budget is about. It is about benefits for the super-rich at the expense of the poor getting poorer. We certainly will not talk in this debate about cuts in income tax from 60 per cent. to 40 per cent., about the disaggregation of income tax and the massive windfall gains that will come to the super-rich because of that. We will not talk about the separate nil rate bands for capital gains tax, because, yet again, those separate bands will produce a massive windfall for the super-rich. We will certainly not talk about the other opportunities for this very small, exclusive class of people in the business expansion scheme and the associated new Rachmanism that it will introduce. We will talk about taxes on wealth, the inheritance tax and gifts to political parties.

The same scandalous picture emerges, because the top rate band of inheritance tax is to be reduced from 60 per cent. to 40 per cent. It is true that the lower rate of 30 per cent. will be increased to 40 per cent., but, because of the increase in thresholds from £90,000 to £110,000, no one at that level will lose. It is true that they will not gain and that the people who will gain a lot are the massively wealthy. They are the people who will be able to benefit political parties under clause 128.

There will be a further polarisation of wealth in a country in which 1 per cent. of the super-rich own a quarter of all private wealth. That figure beggars the imagination. In the last two years the number of people paying inheritance tax has halved, from 40,000 to 20,000, and this Budget will give even more real money to the very few and privileged. Only 5,200 taxpayers paid inheritance tax last year at rates above 40 per cent. The estates averaged £475,000. After this Budget, the same people will on average save £29,000 each—a loss to the Exchequer of from £150 million to perhaps £200 million.

What could the Government have done with that £150 million? They could certainly have built more hospitals, roads, houses and schools. They could have rejuvenated a substantial part of the infrastructure of the country. They chose not to do that. They chose to give it away to people who are already so wealthy that I do not think that they know what their wealth is or can comprehend it.

Because of this Budget, the saving on an estate of £1 million is £148,000. What possible rationale, morality or justification can there be in giving that sum to those super-rich people, especially when their position is compared to that of the only moderately wealthy? To a person who leaves an estate worth £250,000 this Budget gives a saving of only £6,000. There again, one can detect the rationale of this Budget. The poor get nothing from it; it is all taken away from them through social security cuts and cuts in public expenditure. The moderately wealthy get just a bit, a few pickings; they get £6,000 on an estate worth £250,000. But people who are really wealthy, the super-rich, get everything that can be given to them by this immoral Government.

7.45 pm

Inheritance taxes are expected to raise just 2 per cent. of total tax receipts in 1987-88. Let us compare that with previous figures. Between the wars, inheritance tax and capital transfer tax, or its predecessor, estate duty, raised 15 per cent. Before the first world war they raised 30 per cent. That is yet another indication of what the Government are doing: consistently reducing the percentage of taxes and taxation paid by the rich in estate duty and inheritance tax.

Mr. Quentin Davies (Stamford and Spalding): Would the hon. Gentleman like to remind the Committee what the rate of income tax was before the first world war so that it can make a true comparison of the contribution of estate duty or capital transfer tax before 1914 and currently?

Dr. Marek: It was very low, and it went up, as the hon. Gentleman will surely know, because of the world wars. Income tax has gone up and expenditure taxes have gone up, because we must remember that in 1979 the percentage of gross domestic product taken in taxation was 34 per cent. and it is now 38 per cent., showing quite clearly that the Tory party is the taxing party. Income tax has gone up and inheritance tax has gone down. Capital taxes have gone down and taxes for which one does not have to work or sacrifice one's leisure, which provide privilege and which give one power, have gone down. But taxes on earned income, for which one has to work and sacrifice one's leisure, have gone up. That is the immorality of the Government's case.

The Government have given up all pretence of governing in the interests of all the country and trying to be equitable. They have given up all pretence of taxing people justly and on a moral basis.

The hon. Member for Daventry (Mr. Boswell), in the previous debate, praised the capital gains tax as being progressive. He is not present now, but I wonder what he would have thought of this measure by the Government, who have abolished the progressive scale of inheritance tax and replaced it by a flat rate, rather similar to the poll tax. I would put it even more strongly. The Government are stealing the nation's money. It is money that should be in the hands of one-parent families, should be used to increase child benefit properly in line with inflation, should be given to the unemployed or old-age pensioners, should be given to retired couples by not cutting their housing benefit, and should be used for building the hospitals, schools, houses and roads that the country so desperately needs.

It is true that the Government have given a little to the ordinary working man and woman by cutting the basic rate of income tax from 27p to 25p, but they have given most of it to the wealthy and the super rich in this measure.

Mr. Butterfill: I do not think that any of us would disagree about the desirability of spending money on many of the things that the hon. Member has suggested, but surely that money can be spent only if it is first earned. If we were to do as he wants and stop this clause going through, surely that would destroy some of the businesses in this country that create the money to provide taxation to enable money to be spent on the things that he considers desirable. Surely he appreciates that in many cases inheritance tax is paid by family businesses.

Dr. Marek: The hon. Gentleman's latter point may be true, but I wonder how this tax and its cutting create money. I do not think that it creates any money at all. It is merely a way of passing wealth from one generation to another and encouraging the second generation to be idle and to live on their accumulated wealth.

Mr. Campbell-Savours: Friends of mine in America who study these matters say that that is the general view there. We now have one generation keeping the next, which in turn is keeping the next, because of the way that wealth is being transferred down through generations. The only way that we can stop that and restore the enterprise culture in the way that it should be restored is to bring in stringent inheritance taxes whereby each generation has some incentive to do a day's work.

Dr. Marek: My hon. Friend makes the point extremely well. There can be no rationale for only a 40 per cent. flat rate inheritance tax no matter how wealthy a person is.

There is no question of the Government saying that they are taking this step because they want to attract top people to the United Kingdom to run our industry better than we can ourselves or to create wealth. There is no question of reducing the tax simply to increase incentive. It will not increase incentive for anybody. My hon. Friend is right. We can argue about incentives with regard to the top rate of income tax. We may have different views on that, but at least there is an argument. In this case there is no argument.

The Government have no excuse for lowering the top rate of inheritance tax. They cannot say that it will provide a net increase in revenue for the Treasury. We have heard arguments for cutting income tax based on the premise that eventually the net tax collected will increase and the Revenue will benefit. However, I do not think that the Chief Secretary will try to adduce that as an argument. That is not the case. This is a straightforward robbery of the people.

In a press release from the Treasury—I hope that quoting it will not prevent my receiving press releases in future—the Economic Secretary says:

> "Real tax revenue up following cuts in tax rates".

That is patently not true for inheritance tax. He says:

> "Father Pedro Navarette put it rather pithily when he warned rulers: 'He who imposes high taxes receives from very few.'"

Unfortunately, he who raises the thresholds and provides all manner of loopholes also receives very little from the very few, and that is what is happening here. Two years ago 40,000 people paid inheritance tax and 20,000 paid it last year. Even fewer will pay this year and there will be a net loss to the Revenue of £200 million. On top of that net loss to the Revenue is all the immorality associated with allowing people to pass on extreme wealth from one generation to another. The clause is morally offensive, and the Government know it.

Let me look at the history of the capital transfer tax, gifts to political parties and the new inheritance tax. I do not want to take too long about this, but in the Finance Act 1980 there was a reduction in the rates and an increase in some of the exemptions. In the Finance Act 1981 there was a further reduction in lifetime rates and an introduction of a 10-year cumulation period so that after 10 years one was free of tax. There was an increase in the annual exemption to £3,000. There were improvements in the position of agricultural property and there was an extension of transitional relief for the discretionary trusts.

Let us go forward one more year. In the Finance Act 1982 there was a further reduction in the rates and indexation of the bands. Again, there were amendments to discretionary trusts, alleviating charges still further. There was nothing in the Finance Act 1983, which may have been because of the election. In the Finance Act 1984 there was a further reduction in the rates. Something must have happened to the Finance Act 1985 as happened to our debate on clause 127 a short while ago—nothing.

[Dr. Marek]

In the Finance Act 1986—here we go again—the capital transfer tax was replaced by the inheritance tax. It abolished the charge on lifetime gifts made more than seven years before death. Then, in the Finance Act 1987, there was a further reduction in the rates. This year, 1988, there is a further massive reduction in the rates and there is no justification in morality for it. Those activities of the Government are reprehensible and that is one reason why we want to debate clauses 127 and 128.

Before I close I want to refer to a document from Peat Marwick McLintock on Budget changes, with the headline:

"Inheritance tax: making the most of the changes".

That is followed by two closely typed pages on how not a lot of people—20,000 at most—can make the most of the changes. They are the only people who will be paying inheritance tax and there will be fewer than 20,000 people paying inheritance tax in the coming year.

I have a document on inheritance tax from Price Waterhouse entitled "Planning for Inheritance Tax". That was valid in October 1986, so I leave it to the judgment of hon. Members what such a document will say after this Finance Bill. It says:

"For the first time since 1974, estate owners have the opportunity of passing an unlimited amount of property to later generations free of tax."

Then there is a word of caution:

"No one can be certain how long the present inheritance tax regime will last; it may not survive a change of government."

Well, Miss Boothroyd, you bet it will not survive a change of Government.

The document goes on to give many examples. For example, it says:

"it may be possible for a married couple to minimise risk by arranging for the spouse with the longer life expectancy to make a potentially exempt transfer . . . A transfer from, say, husband to wife followed by a gift to the recipient, may be in order".

So will the topping up by £20,000 of a nil-band trust. That has probably occurred to those people who pay inheritance tax. There is another page with about half a dozen tips on how to save thousands, tens of thousands and hundreds of thousands of pounds because of the changes that the Government have introduced in the Finance Bill.

Mr. Ian Taylor (Esher): Surely the firm of accountants is showing how sensible tax planning can be organised. That would apply whatever cut-off or threshold level there was for inheritance tax. It has nothing particularly to do with the Budget proposals. The Labour party is proposing to penalise those who have begun to amass assets, which it would tax penally upon death and transfer to the descendants.

Dr. Marek: I am not accusing the accountants of doing anything immoral or wrong. It is extremely useful that we have accounting firms which are able to set out clearly and lucidly all the advantages and loopholes that the Government have been able to create for the extremely wealthy. The 60 per cent. top rate on inheritance tax was not a penal rate.

I think that I have said enough to show the Committee that yet once again——

Mr. Beith: Does the hon. Gentleman intend to refer to other aspects of the clause which relate to political parties?

8 pm

Dr. Marek: I will do that, but briefly.

The Government are fearless in their regard for the rich and the super-rich; they want to enable them to become richer, to retain their wealth and to pass it on to succeeding generations, paying as little tax as possible in the process.

As to gifts to political parties, I have very little to say As I understand it, the limit has been abolished. Anyone can make a contribution to a political party on his or her deathbed without having to pay tax. Previously the contribution had to be made at least a year before death for it to be tax-free. Again, the measure will benefit the Conservative party. I do not think that members of the Labour party or of the SLDP, by and large, will be able to contribute well over £100,000 to political parties. The Opposition will not benefit much from clause 128, but the Conservative party will benefit. I suspect it will benefit because basically Conservatives are mean and nasty people, present company excepted. They do not want to contribute their money until they are on their deathbeds; that is why the Government have introduced the clause.

Of course, there is hope here for the Opposition. If Conservatives do not want to give the money away until they are on their deathbeds, it means that they cannot believe in the measures which the Government have produced for us. We will vote against clause 128. I am grateful to you, Miss Boothroyd, for allowing the debate to range widely.

The Chief Secretary to the Treasury (Mr. John Major): It is within the immediate recollection of the Committee over the last few minutes that events do not always transpire precisely as the Committee would have wished. I say to the Opposition that I am sorry that we cannot debate clause 127 in the form in which the Committee had expected. I am grateful to you, Miss Boothroyd, for the opportunity within the rules of order to refer to matters related to clause 127 in so far as they impinge on clause 128. I hope that you will allow a liberal interpretation of that, although I express my regrets to the Opposition that procedural technicalities will now deny them the right to vote on clause 127. Perhaps I may acknowledge at the outset that we are aware of the objections to clause 127 that the hon. Member for Wrexham (Dr. Marek) has set out cogently and clearly, and we shall certainly accept their vote in opposition even though it has not in practice been delivered and cannot now be delivered.

I shall direct my remarks principally to clause 128, and my hon. Friend the Economic Secretary, who with good fortune will later catch your eye, Miss Boothroyd, will endeavour to respond to the important points made by the hon. Member for Wrexham and to any other related points that you consider to be within the rules of order.

As the hon. Member for Wrexham said, clause 128 deals effectively with the one-year exemption point for donations to political parties. It is essentially directed to a very narrow point of tax law and seeks to remove an anomaly. Although he expressed it amusingly, the hon. Gentleman felt that the clause might offer financial benefit to the Conservative party, though perhaps not to other parties. My inquiries reveal that the Inland Revenue, so far

as records determine, cannot trace a single donation to benefit a political party that would be affected by the provisions of the clause.

The clause abolishes the £100,000 limit for inheritance tax exemption for gifts to political parties made at, or within, one year of the death of the donor. The practical effect of the clause is to make all gifts to political parties entirely free of tax rather than, as at present, simply those made more than a year before the death of the donor. That means that no longer will tax be payable if the donor dies 364 days after making the donation but not if he lives one day longer, or two days in the case of a leap year. It does not admit any new or novel principle of tax law, although it re-establishes a traditional one. The reason for gifts being exempt if made one year or more before death is simply that they were being made for public purposes. That has been the position for many years. That, of course, is equally true even if the donor dies speedily after his generosity has been announced.

The clause also restores the parity of tax treatment which has existed traditionally between gifts to bona fide political parties—I will touch on the definition in a moment—and charities. A bona fide political party is defined as one with either two Members elected to the House of Commons or one Member elected and 150,000 votes cast to candidates of that party.

[SIR PAUL DEAN *in the Chair*]

Mr. Campbell-Savours: The Minister will be aware that the Labour Research Department and other organisations do interesting work on contributions made by industry to the Conservative party. I know of no contributions to the Labour party on that scale and I doubt whether there are many to the alliance. Are there many contributions of that nature to the Conservative party? Does the Minister expect an increase in those contributions? What kind of people give more than £100,000 to the Conservative party? Are they mad?

Mr. Major: If I may say so, not only are they not mad, but, so far as I can determine, they do not exist. I shall come in a few moments to the point, which I agree is relevant.

I shall turn first to what some may think is a curious link between gifts to political parties and gifts to charities. That is not a novel proposition. The link has existed, with minor breaks, since the 19th century and has been accepted during that period by Governments of all political complexions, sometimes alone and sometimes in partnership with other political parties. Indeed, it was most recently specifically re-endorsed by the Labour Government in 1975.

Mr. Beith: The Minister may say that the link is traditional, but did it not require an amendment which, as I recall, was supported by my friend, John Pardoe, to bring it about in the Finance Act 1975?

Mr. Major: It is correct that there was an amendment to the Finance Act 1975 because there had been an unintended change in the treatment of charities and political parties between 1972 and 1975. The 1975 amendment did precisely the same in principle as is being done by clause 128, which restores the parity of treatment between charities and political parties which had drifted apart in favour of charities.

I promised the Committee a moment ago that I would deal further with the definition of political parties. Having set out the definition, for the purpose of the record, perhaps I should record that the definition embraces not only the Government party and the principal Opposition party, but also the Labour and Co-operative party, the Social and Liberal Democratic party, the Social Democratic party, the Scottish National party, Plaid Cymru, the Ulster Unionists, the Democratic Unionists and the Social Democratic and Labour party, all of which, for the purposes of the clause, are bona fide political parties. It is an extensive list.

As to the point that the hon. Member for Workington (Mr. Campbell-Savours) raised a few moments ago, I should say, for the avoidance of doubt, that donations of a size to benefit from the change, that is to say, £100,000 or more, are rare. I have not been able to locate a single occasion on which there has been a revenue loss to the Exchequer because of a donation of that size.

Mr. Alex Salmond (Banff and Buchan) *rose*——

Mr. Major: I shall give way in a second.

I perhaps anticipate the question still lingering in the mind of the hon. Member for Workington. The fact that there do not seem to have been such donations is no reason why we should retain on the statute book an unnecessary and anomalous inhibition to such gifts, if donors wish to make them. That inhibition has arisen by accident, not design, and deserves to be removed.

Mr. Salmond: The Minister correctly anticipated the question. Might it not be the case that there is no expected Exchequer loss and no gifts of over £100,000 being made at the moment precisely because of the limit of £100,000 before taxation applies? Is there anticipation of loss to the Exchequer from the changes being introduced in the clause?

Mr. Major: That would be relevant only if the donor expected to die within a year of making the gift. As far as I am aware, there have been no donations of that size by people who expected to live for substantially longer than a year, so the underlying point that the hon. Gentleman made was answered by my remarks a few moments ago.

From 1894 to 1972—to come to the point made by the hon. Member for Berwick-upon-Tweed (Mr. Beith)—gifts to charities and political parties were treated alike for the purposes of estate duty. That was at no stage a matter of political controversy or fiscal abuse. In 1972, the Conservative Government introduced a special relief, exclusively for gifts to charities. They exempted gifts up to £50,000, even if they were made within a year of death, and, for the first time, broke that long-standing parity of treatment.

It did not stay broken for long, for the reason given by the hon. Member for Berwick-upon-Tweed. When the Labour Government introduced capital transfer tax in 1975, they doubled the then £50,000 exemption limit and restored once again complete parity between political and charitable gifts, which is the precise intent of clause 128. Subsequent increases in the exemption limit applied only to charities, thus breaking the link again.

These words do not pass my lips often, but I believe that the Labour Government were correct in 1975. There is no reason to discriminate against political parties in this way. They removed that discrimination and were right to do so.

[Mr. Major]

This clause proposes to emulate that excellent example and restore the parity of tax treatment that existed for many years under both Labour and Conservative Governments.

Dr. Marek: I happen to have the Committee report of 5 February 1975. Replying, I think, to the present Chancellor of the Exchequer, who was moving an amendment, the Chief Secretary to the Treasury, Mr. Barnett, said:

"We want our political parties to be influenced by the great majority of people who subscribe to the faith of a party, not giving excessive influence to a small number of people who can subscribe large sums."—[*Official Report, Standing Committee A*, 5 February 1975; c. 930.]

That is the essence of our argument against clause 128.

Mr. Major: I entirely understand that that is the essence of the argument that the noble Lord Barnett advanced in Standing Committee. However, it is also on record that on Report he introduced an amendment of a quite different sort. It restored the parity which had previously existed and which had precisely the same effect as clause 128. On reflection, between Committee and Report, the noble Lord and his right hon. and hon. Friends of the day clearly reached the same conclusion as my right hon. Friend the Chancellor when he decided to put clause 128 in the Bill. So there is unanimity of view between the noble Lord Barnett—and, no doubt, the right hon. Member for Leeds, East (Mr. Healey) who was then Chancellor of the Exchequer—and my right hon. Friend the Chancellor of the Exchequer. Such unanimity is not regularly reached and the Committee should note it with some pleasure.

The underlying point, accepted then as now, is that, just as there can be no justification for the Exchequer creaming off a slice of an individual's bequest to a charity, the Exchequer should not benefit if that individual chooses to leave money instead to a political party. That is something that we in this place should understand as well as most. The anomaly that has arisen over the years is unjustifiable. That is why we have chosen to end it in the Bill.

8.15 pm

Gifts to charities and political parties had parity of treatment for more than three quarters of a century. When that was broken in favour of charities in 1972, the then Labour Government restored parity in 1975. It has since been broken again in favour of charities and this clause once more establishes parity and the symmetry of legislation passed by past Labour Governments and the present Conservative Government. I therefore commend clause 128 to the House.

Mr. Campbell-Savours: Tonight, I wish to say something about the more personal aspects of this issue. I am openly hostile to the principle of inheritance, which I believe borders on the morally wrong. I understand that millions of people in this country feel that they should have the right to pass on wealth from one generation to another. It may well be that society should allow people to transfer wealth in small amounts from one generation to the next.

When I was a young man, I had an argument with my parents, and it has lasted for many years. It is relevant to today's discussion. It arose, after I joined the Labour party in 1965, from my view that every generation had a self-standing responsibility to make its own way, and that society should give people the maximum opportunity and incentives to go out and do a fair day's work for a fair day's pay—and to join the free market and develop businesses. That is why I have consistently supported the Government over the years whenever I have felt that measures they were introducing would help small businesses.

The argument I had with my parents was about whether it was right for people to inherit. I announced 23 years ago to my family that I did not want to inherit anything from them, although in 1960 I received, to my eternal regret, £100 from an aunt. That was probably worth £800 or £900 in today's money, and it has compromised me down a lifetime.

I have stood by my view and today I stand to lose a substantial inheritance from my family. Every generation must be absolutely free-standing and should not receive wealth from previous generations. People must go out and make the effort and be given every incentive and opportunity in life. I know of friends who have not enjoyed the experience that I have, who knew that they stood to inherit large amounts of money later in life. Some of them have not done what they could have done because they knew they would inherit one day, so they lost the incentive to go out and make an effort themselves.

I know that this view is not uniquely held by people of my political persuasion. There are many Conservative families in this country who own large amounts of wealth but who are opposed to inheritance for precisely the reason that I oppose it. They know that effort is the way to build society. It is often people who are born into articulate, middle-class circumstances who are capable of going out into the world to make an effort and develop businesses.

Mr. Beith: A good friend of mine who is a Liberal and a successful small business man held the same view as the hon. Gentleman. It led him to decide he would pass on none of the money he had made to his children but that he should educate them privately—in this he differed from my view—and give them the best possible start in life. From the moment that they were 18 they would not receive a penny more from him. That shows that the hon. Gentleman's view has wide currency.

Mr. Campbell-Savours: I am grateful for that example of support.

I shall not identify them, but I have discussed this matter privately with Conservative Members on a number of occasions and I know that some of them will go a long way down this road with me. It would be wrong to identify them. I know that tonight they will vote with the Government in favour of cuts in this tax, in the knowledge that, as a result of this Budget, many people will inherit more money.

Mr. Quentin Davies: The hon. Gentleman recognises the great importance in any economy of incentives to work, and he has also mentioned the importance of incentives for enterprise to start one's own business. Does he recognise that, rightly or wrongly, many people do not work for themselves but for the younger generation? If we were to remove the possibility of people accumulating money for the benefit of their children, human nature being what it is, we would remove a substantial element of incentive for work and enterprise, from which society benefits.

Mr. Campbell-Savours: I have also discussed that matter within my family and with many others. I do not accept that proposition. What happens is that people who have made money, or who are acquiring wealth, seek to justify what they are doing, and they use that as an excuse. They say, "I am doing it for you and for those who follow me." They have to find some justification for this acquisition of wealth. I do not say it to my children. I do not see why the hon. Gentleman, if he has children, would say it to them. If he did not have children, is it not possible that life might be just as exciting and that he might equally find incentives for going out there, generating wealth and making money? Is he saying that if he did not have children, he would not work as hard?

Mr. Davies: I believe that if we remove the possibility of human beings working for the next generation, we remove the major incentive that has led to human beings, down the millenia, accumulating capital. Without it, we would not have had any economic progress and we would still be in our caves.

Mr. Campbell-Savours: I thought that the hon. Gentleman was going to add a new strand to his argument, but he just repeated what he had already said. In my family, that motive has no bearing on the willingness, the eagerness or the desire of people to go out and create wealth. It had none when I made my announcement to them. They set out to do other things with their money, and my family is making provision for education in south Wales, through a trust. I am pleased that that is being done. That is the kind of choice that people should be making when they acquire wealth. They should be saying that they want to contribute to society, and should not think exclusively in terms of handing it over to their children, because they never understand when they do that what damage can be done to the forthcoming generation.

I see the hon. Member for Watford (Mr. Garel-Jones) shaking his head. We will not go into his personal circumstances, but I am sure that he would wish to intervene in the debate, were he not a Government Whip, to clarify the matter for us. People try to justify the acquisition of wealth on the basis that they will hand it on to the next generation, when there are perfectly acceptable reasons and incentives for people to create wealth.

I do not know how far we shall go with this argument, but I was told that Jeffrey Archer—an eminent journalist and author among other things—has made similar provisions and has made similar statements to mine, although I might be wrong. I am told that he is a model of entrepreneurial success, and it might be that he understands my argument. I know that there are Conservative Members who understand this argument, and it might be that he and others recognise that when one transfers wealth down through the generations, not only does the generation that accepts it sometimes lose the incentive to create wealth on its own account, but often passes the lack of incentive down to another generation and the damage can often be done within that generation, to the grandchildren. Often, they were not present when the wealth was made in the first place and they do not understand the mechanics, and often the pain and the sacrifice, of the people who generated the wealth.

We have all had these experiences—they are not exclusively known to Conservative Members. I understand what happens during that period, because I have seen it within my generation. Before Conservative Members vote tonight—no doubt they will be herded into the Lobby, although there have been some complications—they should think carefully. The Conservative party is not giving due consideration to what this argument is about. I understand that it maintains that it is the party of enterprise and of the entrepreneur. I lay claim to that title for the Labour party, because the Labour party understands the fundamental principle that to have true entrepreneurial endeavour we must ensure that the incentives are there. The way that the Government have gone about capital transfer tax and inheritance tax shows clearly that they do not understand that principle.

Mr. Julian Brazier (Canterbury): The hon. Gentleman seems to feel that the sole and only point of wealth is to enrich the individual, although he stressed that the individual who passes it on can use it for other purposes. The same applies with wealth that has been transmitted, and I have two obvious examples. A friend of mine is a missionary on an unpaid basis in Africa, and he would not be able to do that if he had not inherited money from his parents. To take an example closer to home, I have worked for a family business that was all the more successful and close-knit precisely because the ownership of that business had been passed from father to son. This change in the legislation will make it possible for that to continue.

Mr. Campbell-Savours: There will always be exceptions to the rule, and I think that we can accommodate them by rejigging the law, perhaps not in the way that the Government would want. I put to the Committee what I am told is a fact—that in Japan, the level of inheritance tax is extraordinarily high. The Chief Secretary shakes his head, so perhaps my information is wrong. I am told that it is very high, but the Japanese manage to succeed industrially.

I am sure that there are lessons to be learned, if not from the Japanese, from what is happening in America. Inevitably, when the Americans realise the damage caused to society by the way that wealth is being transferred down the generations, they may react and deal with it. If we do not do so, it will be the cancer that undermines the whole of our economic activity in the future.

Mr. Beith: The hon. Member for Workington (Mr. Campbell-Savours) raised interesting questions that have to be considered by Conservative Members who seek to strengthen those aspects of our culture that support enterprise. I would not draw the same conclusions as the hon. Gentleman and I shall argue that there is a different way to tackle the problem. There is a tension inherent in the Government's philosophy, between their desire to encourage enterprise and the belief that people must stand on their own feet and the preservation within our society of large amounts of inheritance, which concentrates wealth among relatively small numbers of people.

Most of us must have had the experience that the hon. Gentleman has had of knowing people who have inherited in circumstances that have led them to do less well in their lives than they might otherwise have done.

We know of businesses which went wrong in the second or third generation, or the estate that went to seed because the person who originally built it up did not pass on with the estate the qualities of personality and commitment which had enabled him to build it up in the first place.

[Mr. Beith]

In contrast, the hon. Member for Canterbury (Mr. Brazier) has given examples of businesses which have benefited from being passed down through a family, and which have carried through the family a certain commitment to the employees which would not be at variance with the Government's philosophy, which is based on the belief that the family, having benefited, has an obligation to those who have worked for it for successive generations. Sometimes the employees also go from one generation to another.

8.30 pm

The Government do not seem to be addressing that important philosphical issue. They seem content to maintain the broad structure of capital taxation while easing its impact through the changes in inheritance tax that we are discussing on clause 128, instead of considering more radically what could be done to our capital taxation.

I hope that the hon. Member for Workington will support the argument that we have put to the Government for years—that radical changes in the taxation of capital transfer would encourage the wider distribution of wealth. We submit that the best way to do that would be by an accessions tax the burden of which falls upon the recipient and which would be graduated and have thresholds to ensure that people could receive relatively small legacies without suffering a tax penalty, but would have to pay tax on larger amounts.

Therefore, the donor would have an incentive to spread the wealth more widely, because the effective method of tax avoidance would be to distribute the gifts amongst the largest number of recipients. Whether they are members of the family, friends, good causes or whatever, the wider the gifts are distributed, the less likely is any one recipient to fall within the threshold. Such a tax should also have a cumulative effect so that any recipient should have receipts other than those from the one donor taken into account. That, too, would help to ensure that the wealth was more widely spread.

Instead, the Government are preserving a taxation system that appears to be a macabre lottery because of the seven-year rule that tax can be avoided entirely if death can be predicted. It would be hard to find a better case for bringing in President Reagan's astrologer than seeking advice on how to dispose of gifts by predetermining the time of death.

Why cannot the Government espouse the radical reforming zeal which the Chancellor wishes to have attached to his name in history and make some real attempt to change the capital taxation system so that it encourages the wider distribution of wealth with minimum pain and disincentive? The argument for reducing income tax levels is based primarily on incentives that the Government seem to recognise more readily at the top of the scale than at the bottom of the scale. It is based on the idea that taxing people at the point at which they are earning more money poses a very real disincentive. There is not the same powerful disincentive if people are taxed at the point at which they are receiving windfall gains, if the tax system is so organised that the person who can give away large amounts of money will do it more widely and a much better social purpose will be served as a result.

Therefore, we argue—we have tabled amendments to this effect—that there should be an accessions tax rather than an inheritance tax, and over the years we have set out ways in which that can be done.

We are also discussing exemption from inheritance tax relating to political parties. The Minister made a rather good case as he picked his way through the history of this matter. As I pointed out to him in an intervention, my former colleague Mr. John Pardoe was involved in seeking to bring about the limit which the Government now seek to abolish.

When I looked at the clause before tonight's debate, I considered the £100,000 to be a threshold and I believe that it was argued in those terms in 1975. Therefore, it would not be true to say that political parties and charities were put on a precisely equal footing. There was a difference between them which became more significant as time passed. Political parties effectively were frozen at the £100,000 threshold on tax liability for gifts made at or within one year of the donor's death. Charities had no such limit.

There is a case for a distinction between political parties and charities. I do not believe that it is a very strong case, as I regard political activity, which is primarily a voluntary activity, as analogous to charitable work in many ways. In a democracy, we ought not to regard political activity as being of less value than other voluntary activities in other areas of the law where such an argument is relevant. In a democracy it behoves us to recognise political activity.

That is why I believe that political work, particularly voluntary political work, should not be excluded from the honours system. I have more sympathy for those who engage voluntarily in political work than I have with the knights of the shires on the Conservative Back Benches. They should be regarded as eligible for recognition for their voluntary work as are those who engage voluntarily in other aspects of public life.

The argument for a distinction or a threshold is that by definition charities do not represent political causes which can be advantaged by getting larger sums of money than other political causes. The argument may be weighted by the amount of money that is available to one political party. There seems to me merit in the threshold. It is almost certainly true, as has been argued, that the fact that recently there have been no gifts above the threshold may well be because people are pitching their gifts appropriately inside the threshold. Therefore, there is an argument for drawing a distinction between political parties and charities at the point at which gifts become very large.

I am bound to say that the history of the matter is sufficiently tortuous and complicated to give the Minister something of a leg to stand on when he says that the Government to some extent are redressing an anomaly by choosing to put the matter in the Bill in that form. I shall be very interested to hear what other views are expressed during the debate. I cannot advise my right hon. and hon. Friends to support the principle that gifts to political parties should be in a wholly different category from those to charities and that the whole principle should be opposed on those grounds.

Mr. Matthew Carrington (Fulham): I shall crave your indulgence, Sir Paul, in addressing most of my remarks to the clause that is not before the Committee, and I hope that I shall be in order.

The effect of the two clauses is principally to simplify the way in which the inheritance tax operates. To that extent they are greatly to be welcomed. We have had much talk about the morality of inheritance tax, and indeed much talk about the morality of inheritance. The morality of inheritance tax, when the tax is complex and when the rates are very high, is the morality of avoidance; it is the ability of a whole industry to advise those who have accumulated a certain amount of wealth on the best and most efficient manner of passing on what wealth.

I turn to the remarks of the hon. Member for Workington (Mr. Campbell-Savours) about the effects of inherited wealth. I have a great deal of sympathy with his view that there are many well-recorded instances when the inheritance of wealth in the wrong fashion—sometimes too early—has caused the recipient of that wealth not to achieve his potential success in life. I would also point out that there are many instances in history, and I suspect in the present, of the inheritance of wealth having been of great benefit to society. Indeed, one does not have to look much further than the great philosophers of the 19th century. One can go back even further to philosophers such as Montaigne, who were able to do such great work purely because they could devote their energies to study because they had inherited wealth. They provided all of us with the benefits of that study.

I accept that inherited wealth is bad for the individual in some instances, but there are many instanees in which it has a good effect.

Mr. Macdonald: The hon. Gentleman referred to the fact that if philosophers inherit wealth it enables them to pursue their studies. Does he think that the fact that Ludwig Wittgenstein gave away his entire fortune in any way impaired his ability to philosophise?

Mr. Carrington: I am grateful to the hon. Gentleman for making my point. Wittgenstein would have been unable to make the decision to give away his great wealth unless he had had that great wealth initially, which gave him time to study. I agree that he came to a parodoxical conclusion, but that was equally true of his writings.

Mr. Campbell-Savours: The hon. Gentleman expressed sympathy for, if not agreement with, my views. Does he accept that those who make good use of what they have received could equally have been provided for if the transfer of money from one generation to theirs had been by way of indirect payment? In other words, they would not be direct recipients, after tax, of these moneys. Another arrangement would have to be provided.

Mr. Carrington: The hon. Gentleman opens up many possibilities about the way in which those whom society considers, on the whole, to be worthy of funding could be funded. That is true of authors and poets as well as of philosophers and, to some extent, scientists. When passing on wealth, one has to decide who is to be the beneficiary. History tells us that, unfortunately, political power and censorship have played a very unwelcome role by curbing the advances that society might otherwise have made. I accept that there are perhaps evils in inherited wealth, but there are perhaps even greater evils in the alternatives.

Dr. Marek: I hope that the hon. Gentleman does not accept that there are perhaps evils in inherited wealth. I hope that he certainly accepts that there are evils in inherited wealth. One only has to consider the events surrounding the French revolution in 1789 to recognise that fact.

Mr. Carrington: We are straying a long way from the clauses that are under discussion, but I hope that you will indulge me, Sir Paul, in a somewhat indulgent debate. The French revolution, as with so many other revolutions, started not with those who did not have wealth but with those who had very considerable wealth and privilege. They rebelled against the authoritarian power that other sections of society had over them, which they felt was unjust. What, in many ways, caused the French Revolution was inherited wealth being passed on among the bourgeoisie in France rather than an upsurge among those who had no money. I agree that great inherited wealth in France was attacked by lesser inherited wealth, but all of it was, nevertheless, inherited wealth. However, that was a different society and a different case.

8.45 pm

Inheritance tax needs to be put into perspective. The exemption level has been raised from £90,000 to £110,000. In absolute terms, that is a considerable sum of money, but I shall try to put it into perspective by considering what has happened in my constituency. It is now not unusual for a council flat at the top of a high-rise block to be valued for right-to-buy purposes at considerably in excess of £100,000.

People who exercise their right to own their own home, however modestly, in central London, elsewhere in the south-east and, as the economy develops, throughout the country, will now be exempted from inheritance tax. They will be able to pass on the benefit of their home, for which they have worked and struggled. Quite rightly, from society's point of view, it should be kept out of the tax net. By reducing inheritance tax to 40 per cent. it will be brought into line with the top rate of income tax. That, rightly, will simplify the taxation system.

What is the effect of penal taxation on inheritance? It makes it very difficult for people to pass on small businesses. They need time in which to grow within the compass of the family that started them so that wealth can be transferred from one manager to the next, perhaps across the generations. That is true of small manufacturing companies. It is even more true of the farming industry. I do not have many farms in my constituency, but I am reliably informed that the capital value of a farm will make it difficult, if inheritance tax bites hard, to pass it on.

The other aspect of inheritance tax that is bad for society is its effect on our artistic inheritance. One of its effects—though perhaps not on the great artistic treasures that are rescued by the state—relates to our minor artistic treasures: minor pictures and minor antiques. That heritage has been built up over the centuries. A very high rate of inheritance tax makes it very difficult to pass on those treasures to future generations. When a person dies, they are sold. The experience of the last 20 years has shown that the trade in antiques from this country in particular has been one way. They have been exported, with the result that minor works of art have been lost to us for ever overseas. One of the effects of inheritance tax has been to accelerate that trend.

The simplification of inheritance tax is greatly to be welcomed. It will enable families to pass on businesses,

[Mr. Carrington]

which they were unable to do before, and it will enable society to benefit from the wealth of one generation being passed on the the next.

Mr. Macdonald: I was grateful for the implication, if not the admission, by the Minister that the Conservative party is a charitable institution. We have often thought that to be the case, but the Minister's implication was interesting.

I think that you are quite right, Sir Paul, to indulge hon. Members. You are right to be liberal in your interpretation of how we may debate clause 128 and to allow us to refer to clause 127. The two clauses are linked. I am driven to that conclusion because, when I look at clause 127, I can find no justification for its inclusion in the Bill on the ground of economic efficiency or on the ground of social equity. I am driven to think that the reason for the inclusion of the clause is that it is linked to clause 128, in the sense that the governing party of this country gives money to the wealthy and hopes that the wealthy will end up giving money to the governing party. That is rather a blunt and crude conclusion, but I cannot find any other justification for clause 127.

I do not understand how the grounds of economic efficiency and incentives, which have been advanced about other cuts in taxation, notably income tax, can be stretched to justify the reduction in inheritance tax. I do not understand how the changes will act as incentives to those who are contemplating giving away estates to their children or to other recipients, particularly in view of the marginal nature of those changes. Those changes are not marginal when we consider the global sum given away, for example, through the cutting of the top rate of tax. According to the Government, that figure will be about £150 million. One would have thought that £150 million, plus the sum that will be lost through the raised ceiling, would be much better utilised in retraining unemployed workers than as a spurious attempt to confer a nebulous incentive upon the people who are thinking of giving away estates.

There is a difference between inheritance tax and income tax. Two or more parties are involved in inheritance tax—the person giving away the estate and the recipient of the estate. We must also take into account the disincentive effect on the recipients of estates. It is difficult to see how inherited wealth gives any incentive to the recipient to work harder. One would have thought that the contrary would be the case—that a substantial windfall gain through inheritance tax would be sufficient to kill any incentive to work.

Even if we concede that there is an incentive in reducing inheritance tax, surely it must be more than offset by the disincentive to the recipient. One wonders whether, if the Treasury had commissioned a study, the Government would have taken note of it, given what happened to the study on income tax and incentives.

We do not see any argument for the reduction of inheritance tax on the ground of incentives. The main basis on which to assess the changes in taxation is that of social equity. Within reasonable limits, it is right for individuals, when they die, to be able to leave some of the wealth that they have accumulated during their lifetime to their spouses and children. The hon. Member for Stamford and Spalding (Mr. Davies) said that that was, to some extent, what drives people on. They have an urge to accumulate a certain amount of money to pass on to their children. That is a reasonable and justifiable motive, but one cannot stretch the argument to say that people are driven in their working lives by the urge to make their children millionaires. People certainly work to give their children a secure foundation, but we cannot take the argument any further.

We all listened with interest to the comments of my hon. Friend the Member for Workington (Mr. Campbell-Savours). He argued against any form of inheritance, except within certain reasonable limits, and understood, from private conversations, that some Conservative Members also hold that view.

We are often told that the economic libertarian argument is the driving ideological force behind the Government. Philosophers of that persuasion believe that that is right, and they often say that their logic leads them to argue against any form of inheritance and that everybody should stand on their own two feet, independent of any social ties. If some of the economic libertarians on the Conservative Benches followed their beliefs to their logical conclusion, they would reach the same conclusion as my hon. Friend the Member for Workington.

That is not the Socialist point of view. As Socialists, we acknowledge family ties and duties, just as we acknowledge wider kinship to society as a whole. We believe that a balance must be struck. We consider the social effects of the accumulated wealth that has built up over successive generations. That is perhaps more deep-rooted in the United Kingdom than in other Western societies. An excessive accumulation has a serious social impact and is unhealthy for society as a whole. It cuts off economic opportunities.

We cannot say that there is anything approaching equality of opportunity when people start their working lives from such different bases. Those who begin with much more material advantage are bound to start the race ahead of the rest. When that process is repeated generation after generation, a certain rigidity is built into society, and we have the rise of a nebulous entity—some form of social establishment. That is unhealthy for society. Some Conservative Members go on about rigidities in the labour force, but they should look at the rigidities in the establishment through the accumulation of inherited wealth.

9 pm

Another bad effect of inherited wealth is the link between wealth and power and influence over social and political decisions. The link between clauses 127 and 128 is a sterling example of the link between wealth and social and political influence. The figure of £100,000 is redolent of people who have observed the P and O strike recently. Access to such wealth conveys social and political influence.

Vast social inequalities are to a large extent undesirable in themselves. Perhaps that is not true in an ideal world where there is a surplus of all goods and no scarcity anywhere. If society were divided between billionaires and millionaires, the same objections would not arise. Today, however, we have a society of scarcity, of less, and of abundance. Millions of people appear to have been thrown on the scrap heap and the Government make only token efforts to retrain, reskill and re-educate them so that they

may have genuine opportunities. Only then could the Government claim that they really want equality of opportunity.

I am struck by the contrast between those who have been thrown on the scrap heap and those who will benefit from the Budget. I think of the reduction in inheritance tax and the impact of housing benefit changes on old people. How can it be right for the Government to give away millions of pounds to the already wealthy through these changes in inheritance tax and embark on changes to housing benefit which take away from old people all but £3,000 of savings? If the wealthy have a right to pass on their savings to their children, do not these old people have a right to pass on some savings to their children? What savings will they be left with after the housing benefit changes? Only enough to pay for their own funerals.

The contrast here is between handouts to the rich and the Government taking away from the really needy. The top 1 per cent. own one quarter of all private wealth, and the bottom half share just 4 per cent. of all private wealth. The Budget merely polarises existing inequalities. It deepens existing injustices and it deepens already unhealthy trends in society. Most of all, it confirms the image of the Budget and of the Government as callous, uncaring and deeply unfair.

Mr. Quentin Davies: The Committee must be grateful to the hon. Member for Workington (Mr. Campbell-Savours) because he raised in the debate on this clause also, which is not in fact the clause which is officially the subject of this debate, several philosophical and economic issues of wide and fundamental importance which must underlie any discussion of inheritance tax.

The hon. Gentleman started with the declaration of a private interest, and I ought perhaps to do the same. Unlike him, I am not able to renounce any substantial inheritance. If my parents were to predecease me—I hope that if that happens the event is as long delayed as possible—I would not stand to inherit any substantial wealth.

I am sure hon. Members will agree that we should be discussing not the chance fortunes of individuals but the basis of the collective good, of general advantage. In his analysis of that, the hon. Member for Workington based his argument on a fundamentally false premise, which was that people essentially work for themselves and not for future generations. My proposition is that, while people work for themselves, they work also for the new generation—for their own children and grandchildren.

I was particularly surprised that the hon. Member for Workington made that mistake, because he declared himself an expert on the subject of small businesses. I should have thought that anybody who knew about small businesses would have encountered a striking phenomenon about them. It is the frequent if not universal desire of people who set up small businesses to see their own children take them on and the hope that those businesses will provide a livelihood for their children and their children's children. They are hopeful of creating an institution that will outlast them and that will be of lasting benefit to future members of their families.

Let us suppose that I am wrong and that the hon. Member for Workington is right. What would happen if people worked only for themselves? The answer is that on a net lifetime basis no one would invest. I say "on a net lifetime basis" because it is conceivable, on the hon. Member's hypothesis, that some people might at an early stage in their lives invest—but that would only be to disinvest later in their lives. Some people—because one can never predict the date of one's death—might under-shoot and some might over-shoot. But in aggregate everything produced would be consumed in the course of the person's lifetime.

Mr. Morgan: Will the hon. Gentleman consider also the example of immediate post-war Japan? One anecdote told about it is symbolic of those who reconstructed Japan. It concerns the founder of the Honda motor cycle company, who was asked in the early 1950s, when Honda was already showing astonishing signs of growth and international competitiveness, why he was adopting such an extraordinarily highly geared financial approach—not highly geared in the sense of his motor cycles—to his company's expansion. It was far more than was sensible in relation to his equity stake in the business, given that any slight downturn would make the business collapse immediately. He replied that that might be so, but the assets he had created would be taken on by somebody else, and that would be all to the good of Japan. It is alleged that many Japanese business men followed exactly the same philosophy in setting Japan on the road to the great economic success that it now enjoys.

Mr. Davies: One of the remarkable things about Japan is its very high savings rate. I have always associated that with the strong sense of family and family continuity. Anybody who knows Japan—I know it a little, albeit not profoundly, and I admire it greatly—knows that the fundamental backbone of Japanese industry is still the family company and the desire to found a company that one's children and grandchildren can take on. That is the phenomenon about which I was speaking earlier, and it is a universal human trend. It is pronounced in Japan and has had particularly happy economic consequences for that country.

Mr. Chris Smith (Islington, South and Finsbury): Is the hon. Gentleman aware that the country which currently tops the OECD league for revenue coming into the exchequer from wealth transfer taxes is Japan?

Mr. Davies: That may well be so, but the Government are tapping a particularly strong source of revenue, for reasons that I have already illustrated.

The Committee cannot deny the logic of my proposition, which is that if people worked only for themselves there would be no net investment on a lifetime basis, and they would accumulate at the beginning of their lives only to consume what they had produced before their lives came to an end. On that hypothesis, which is based on the view of human psychology that I have already attributed to the hon. Member for Workington—he has now returned to the Chamber; I am sorry that he did not hear the compliment that I paid him earlier—there would be no increase in human wealth or incomes, no progress, no civilisation.

What would happen if, in a misguided moment, the House of Commons were to take fiscal or legislative action—I sense that a number of Opposition Members would like us to do so—that would effectively prevent individuals from passing on to their children or grandchildren the wealth that they had accumulated? Such legislative and fiscal action would produce exactly the same results as if the views of the hon. Member for Workington on human

[Mr. Davies]

psychology were correct. No one would look forward to passing on anything. Everyone would have every incentive to consume what he had produced in his lifetime. The same black consequences for our economy and for civilisation would flow from such action.

Mr. Carrington: I have listened with fascination to my hon. Friend's argument, but he has not addressed himself to one of the fundamental points about small businesses. The enthusiasm of someone who sets up such a business —the desire to pass it on and to make it grow as large as possible—is not only of benefit to the inheritors of the wealth, but also of direct benefit to the employees, and therefore to society as a whole.

Mr. Davies: I disagree with nothing that my hon. Friend has said; I think that human psychology is a great deal more complex than the hon. Member for Workington wished us to believe. I think that human beings are to some extent selfish and to some extent selfless, and that the ambit of that selfishness, or that selflessness, extends to their children, their grandchildren and their employees. Some people are selfish; some people think of the next generation. But my point is that there is in human motivation a substantial element of concern with one's family and one's heirs. Human society could not, except at its peril, deprive itself of the tremendous motive power —the tremendous incentive to work and be enterprising —with which that substantial strain in human psychology has provided us.

Mr. Campbell-Savours *rose*——

The First Deputy Chairman of Ways and Means (Sir Paul Dean): Is the hon. Gentleman giving way? I am not quite sure.

Mr. Davies: I thought that I had sat down, Sir Paul, but I do not wish to deprive the hon. Member for Workington of an opportunity to address the Committee again. I am happy to remain, as it were, notionally on my feet, while he makes the intervention that he wishes to make.

The First Deputy Chairman: We will assume that the hon. Gentleman is notionally on his feet.

Mr. Campbell-Savours: I do not wish to intervene.

Mr. Andrew Smith (Oxford, East): I detected a shift in the emphasis of the hon. Member for Stamford and Spalding (Mr. Davies) following the intervention by the hon. Member for Fulham (Mr. Carrington). Until then, the hon. Member for Stamford and Spalding had been saying that someone worked for himself or for his children. If he did the former, there would be no net lifetime investment; therefore, only inheritance made it possible for such an investment to take place. His hon. Friend reminded him that there are other social obligations that people seek to fulfil and other contributions that can be made to society at large, of which one's children or descendants will be part.

9.15 pm

Mr. Quentin Davies: I do not know whether the hon. Gentleman was listening to the early part of my remarks. I emphasised throughout my speech, and do so again, that human psychology is complex and that there are many factors involved in it. I intervened in order to redress the balance that I believed had been upset by the remarks of the hon. Member for Workington (Mr. Campbell-Savours). Of course I would not deny that many people work entirely for themselves. My point was to try to bring home to the Committee, in its consideration of inheritance tax, the important part that is played by people's desire to benefit their descendants.

Mr. Smith: I understood the remarks of my hon. Friend the Member for Workington (Mr. Campbell-Savours) to imply not that people simply work for themselves but that they work in order to benefit both themselves and society at large and that their children would benefit more as a result of not inheriting the wealth that had been accumulated. Of course, they would benefit in the general sense through the contribution that that would make to society as a whole, and if society carried on according to those principles, it would be a healthier society for everyone.

Mr. Campbell-Savours: May I quote again the example of my family and the experience there? It is my view that the good that will be done with the money that within my family will be expended on education in south Wales will be far more than would ever be the case if it were given to me or to anyone else in my family who would stand to inherit. My family will be richer in every sense as a result of the decision that has now been taken as against handing the money on to me.

Mr. Smith: I agree with my hon. Friend, and that makes a compelling case for progressive inheritance taxation. The clause takes us further away from that. The important characteristics of the clauses are that they make taxation less progressive and give rise to an even greater concentration of wealth and income in the hands of the few. The Government have deliberately failed to tackle the many loopholes and devices by which inheritance taxation and its predecessors have become so much more honoured in the breach than in the observance.

Mr. Quentin Davies: The hon. Gentleman has totally misunderstood the essential point. The point is not what the hon. Member for Workington chooses to do with his inheritance, because, with respect, he did not create the wealth about which we are talking. His parents created the wealth. Therefore, the important point is their reason for having created that wealth. They created that wealth in the expectation of the hon. Member for Workington receiving part of it. Their expectations might have been disappointed or they might have been delighted to hand over the wealth to whatever good charitable cause the hon. Member for Workington designated. However, one cannot with impunity deprive the human race of the essential element in the economic incentive, which is to work in order to hand money to the next generation.

Mr. Smith: If the hon. Gentleman had been listening, he would have realised that I was advocating progressive inheritance taxation. He would not have heard me advocate total confiscation from one generation to another, and neither did my hon. Friend the Member for Workington. He said that there should be a reasonable threshold, as did my hon. Friend the Member for Western Isles (Mr. Macdonald).

The changes that we are debating merely compound the effect of the income tax changes and so much else that we

have seen in the Budget. The hon. Member for Fulham made a not unreasonable point when he said that he saw merit in relating the taxation rates on inheritance to income taxation rates. However, with the banding being abolished in the case of inheritance tax, we are faced with precisely the same problem as that facing us on income tax.

The differential between the higher and lower rates has been narrowed and the progressive element of the taxation system is being squeezed out almost entirely from inheritance tax. That approach takes society away from the principle that Conservative and Labour Members have shown they support over the years—namely, that the wealthiest who own most should make a progressively greater contribution to the common good through taxation.

The retreat from that principle characterises the Budget more than anything else. It is a further confirmation that the Budget is for the rich at the expense of everyone else. Of course, it is very much at the expense of everyone else because, as my hon. Friend the Member for Wrexham (Dr. Marek) pointed out in his opening contribution, the general burden of taxation in society, including taxes on expenditure, is increasing under this Government when taxation on capital gains and transfers and inheritance tax is decreasing. The ability of the very wealthy to pass on wealth to their descendants is being paid for by the rest of us in the form of taxes on income and expenditure. In evaluating the taxation system as a whole, one has to consider what can be achieved by cuts in expenditure taxation, cuts in income taxation, or increases in public expenditure, and applying the money to those in social need. In that way inherited wealth can be taxed effectively.

Mr. David Martin (Portsmouth, South): What the hon. Gentleman says assumes that the productive part of the economy remains static and therefore that the incentives of reduced taxation do not work. Surely more money is made as a result of reduced taxation and is therefore positive in society.

Mr. Smith: I am pleased that the hon. Member for Portsmouth, South (Mr. Martin) asks about incentives. Much of this debate has been precisely about the ability to inherit as a disincentive rather than an incentive to work. Indeed, the receipt of large amounts of unearned wealth is a powerful disincentive to many rich people.

According to market economics, which the Government and Conservative Members profess to follow, this is a great misallocation of resources, as there is no reason to suppose that the sons and daughters of the very rich will somehow be the most efficient custodians of, or reach the best decisions about, the way in which that wealth should be allocated and applied.

I have heard no evidence, certainly not during this debate, which I have sat through, to substantiate arguments from Conservative Members that higher or progressive inheritance rates would be a great disincentive to small business people. I have heard that point being made, but I have not heard any hard evidence of a correlation between the rates of taxation imposed and the amount of enterprise, the rate of formation of small businesses, or their success. There are no facts to substantiate the points made by hon. Gentlemen.

My second argument in rejecting the change proposed in clause 127 is that it deepens the already profound inequalities in our society and the polarised distribution of income and wealth. As my hon. Friend the Member for Western Isles has pointed out, that distribution of wealth carries with it power and influence, which those with inherited wealth who exercise it have done nothing to earn or merit. This approach does not create the property-owning democracy that the Tories like to boast about to the people of this country, but further concentrates wealth and power in the hands of very few people. That entrenches ever more deeply the divisive and damaging class system.

When set against the deepening poverty of many in our society, the measure is nothing short of obscene. One cannot but be struck by the contrast between the treatment of the very rich in raising the threshold above which inheritance tax will be applied from £90,000 to £110,000 —reducing by a quarter the number of estates to which the tax will apply and the treatment of pensioners who lose housing benefit as soon as they have capital of more than £8,000.

These changes are as significant for what they do not do as for what they do. They do nothing to tackle the wide-scale avoidance of inheritance tax. The Price Waterhouse booklet, from which my hon. Friend the Member for Wrexham quoted, showed that people already have the opportunity to avoid these taxes if they are well advised and do not suffer an early death. These changes do nothing to tackle the exemptions on gifts and the trusts and companies which have been created to take advantage of the further exemptions and concessions which are already available. They do nothing to tackle the many other devices by which people circumvent and minimise their tax liability. These changes ensure that the wealthy do not pay their fair share of taxation. My hon. Friend the Member for Wrexham referred to the diminishing share of the total tax take that is comprised in inheritance tax.

There is no justification for these concessions. The Chancellor boasted in his Budget speech that there would effectively be a 20 per cent. tax rate for businesses, which would be the lowest in the world. My hon. Friends have pointed out that much more successful and dynamic economies than ours have higher rates of taxation on inherited wealth. I do not accept the Chancellor's boast of Britain having the lowest tax rates in the world as reflecting any achievement by the Government. Rather, it is an indictment of a Government who, through their Budget and every other policy that they implement, put the interests of the very rich ahead of those of the rest of the country, at the cost of the poorest.

The Tory party glories in inequality of wealth. Just as the rest of the Budget makes Britain a more unfair society, plunging many people deeper into poverty and making the very rich even richer at the expense of the rest of us, so this inheritance tax proposal entrenches those divisions and passes them on from one generation to another. Paradoxically, this proposal will bequeath a poor legacy to our children.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): Before I became a Member, I envied the great skills of the late Iain Macleod. I felt that his judgment of one nation was the right formula on which to work. I was a working-class lad from a humble background and I felt that the party that represented the nation without that terrible class hatred was the Conservative party, so I wanted to become a Conservative.

[Mr. Geoffrey Dickens]

I have listened with great interest to many of the Opposition's contributions. The words "wealth" and "inheritance" have been used as though they were dirty words. This country needs the great risk-takers, entrepreneurs, inventors and job-providers. They are the people who make the country tick. They create the wealth so that people can enjoy the benefits that are distributed. It is the Conservative party that seems to be distributing these things more fairly and targeting the help where it is needed most.

9.30 pm

One of the greatest motivations for successful people in this country is the thought that they may have something to leave their children, and that is a very commendable vision. I hope that one day I shall have something to leave my children, but it will be through hard work; it will not be through sitting back and following the politics of fear and envy——

Mr. Campbell-Savours: Do not be silly.

Mr. Dickens: It is not being silly; it is being absolutely realistic. This needs to be said. Those who create the wealth are the people who create the jobs. If they create jobs, there is more work for everybody and more wealth for their families. The bigger the cake, the bigger the slices to be picked up from that cake, making the country a better place in which to live and work. Why should these people not have something to leave to their children, without savage taxation?

Is it not the Conservative party that has looked after the people on the workshop floor, given them the chance to own shares in the company in which they work? Is it not the Conservative party that has helped council tenants to own their own homes? Is it not the Conservative party that wants children to be able to ascend the ladder of excellence and attain education beyond the means of their parents through scholarships? Those are the sorts of things that the Labour party ought to be doing for the disadvantaged. We are now doing them, and that is precisely why the nation keeps returning Conservative Governments—because we represent all classes of people.

I do not want to be too mischievous, but it is absolutely right for people to create wealth and jobs. It is right that they should be able to leave something to their children without suffering savage taxation. The wealthy will always pay the lion's share, whether it is the community charge, direct taxation or anything else. *[Laughter.]* Hon. Gentlemen laugh, but I must remind them that 50 per cent. of the community charge comes from the taxpayers, and the highest taxpayers are the wealthy. And 25 per cent. of the community charge comes from industries, which are also taxpayers. It is they who are creating wealth and jobs.

All this nonsense from the Opposition, using the word "wealth" as a dirty word, is absolutely disgraceful and they do themselves no favours whatsoever.

This clause is most important. It gives people that added motivation, when they believe that perhaps by their hard work, their labours and their toil, they can leave something to their children that will not be savagely taxed by the Treasury.

Mr. Nigel Griffiths (Edinburgh, South): Clause 127 highlights the common theme of Conservative Budgets over the past nine years—nine years that have seen the burden of taxation increased for the average citizens of the country to give them an incentive to work harder, while during the same period the rich and the super-rich have had their taxes reduced to give them the same so-called incentive. Taxes on gifts and death duties have been lowered in successive Budgets to reward the wealthy and the well-heeled. Tax thresholds have been raised, tax rates have been lowered, aggregation periods have been reduced and the richest individuals have been enabled by the Conservatives to hand over large sums of money to others and to pay no tax at all if the gout does not claim them within seven years.

With clause 127 inheritance tax has been fixed at a single rate of 40 per cent. while the threshold has been raised by £20,000. The striking feature of clause 127 is the benefit that it confers on the really wealthy. A millionaire claiming no special reliefs or exemptions can, as a result of that clause, confer gains on his or her heirs of £145,000 at a stroke, enough to pay 5,000 mothers child benefit for a year at the index-linked level.

The £2 million estate benefits to the tune of £345,000, sufficient to raise the pensions of 900 senior citizens in line with pay and not the lower level that the Government have set. It is hardly surprising that those with modest estates of under £200,000 gain very little from that clause. I suppose that, in the light of the philosophy that is being propounded tonight by Conservative Members, people with estates of £200,000 deserve so little help because they have been so relatively unsuccessful in comparison with the achievements of aristo-rich.

Help has been lavished on the super-rich by the Government, but a very different attitude is shown by them to those on low incomes. The relatives of the rich are being encouraged to even greater dependency on the fruits of labours to which they have made no contribution, while those on social security or housing benefit are having their incomes forcibly reduced by the Government and, according to the Secretary of State for Social Services and the Government, their so-called dependency on the state reduced at the same time.

We have here a paradox where the Government are seeking to support the rich and the super-rich by making sure that relatives who have contributed so little gain so much from efforts towards which they have contributed nothing and in which they have made no investment, while others, many of whom have worked for the majority of their adult lives, receive from the Government not more but less. They have seen their pensions and their entitlement to benefits to which they have contributed reduced.

That is the nub of the clause and indeed, of the Budget. It is particularly important that we should reject clauses 127 and 128 because they are announcing a philosophy which is alien to the people of Britain. It is a philosophy that says that those people who have built up or inherited wealth, by whatever means, should be entitled to retain it. That is a philosophy that is not endorsed by many countries.

As the *Financial Times* has revealed, and as my hon. Friends have said and as has been conceded by Conservative Members this evening, the top of the OECD league in ensuring that wealth is taxed is one of the most successful economies—Japan. In Germany more is done to tax inherited wealth than in Britain. Those countries are doing more than ever to ensure that wealth is not passed

on from generation to generation, but is ploughed back into wealth—creating enterprises, ensuring that fresh blood has the chance to use the money. But the Government are seeking to ensure that it is passed on in a moribund fashion—a fashion that died out many years ago. It is the corpse of a policy that has been resurrected and it will reap a bitter fruit for the Government, and an even more bitter one for the country.

Mr. Chris Smith: We have had a most interesting debate on clause 128, and the allied issues that lie at the heart of clause 127. Our deliberations have been given that added intellectual edge and zest by the hon. Member for Littleborough and Saddleworth (Mr. Dickens).

First let me deal specifically and briefly with the matters enshrined in clause 128. Is is sad that the Paymaster General is not here to contribute to the discussion, because in another incarnation he has an interest in the provisions of clause 128. It should not take a genius to work out which political party is likely to benefit most from the clause. Because it is the Conservative party, we shall certainly divide the Committee.

Mr. Beith: In a spirit of genuine inquiry, may I ask the hon. Gentleman whether he believes that the principle of the exemption with which clause 128 deals, and which was put in place by a Labour Government, should be retained? What is his argument for not correcting what the Government regard as an anomaly?

Mr. Smith: The anomaly is that political parties are treated differently from charities. While I accept some of the arguments which the hon. Member for Berwick-upon-Tweed (Mr. Beith) made about the value of political work, and especially the voluntary work which goes into political activity, I do not believe that political parties should be equated exactly with charities. That is why we think that the distinction should remain.

The matters in clause 127 have formed the principal subject of the debate on clause 128. It is worth noting that the provisions of clause 127 increase the threshold for the application of inheritance tax by six times the amount required by indexation. The accumulation of all rates at 40 per cent., while putting some people at a marginally higher rate, will mean that most people will pay radically less. May I point out to the hon. Member for Littleborough and Saddleworth that that happens against a background where the top 1 per cent. still earn one quarter of all private wealth and the bottom half share between them just 4 per cent. of all private wealth?

Mr. Dickens: Perhaps the hon. Gentleman would like to inform the House which of those two sections provides the jobs.

Mr. Smith: I could certainly tell the hon. Gentleman which of those two proportions provides the talent, the effort, the work and the labour which goes into making goods and producing the wealth of the country. The hon. Gentleman said that wealth is regarded by the Opposition as a dirty word. No, it is not. It is the misdirection of wealth which is regarded by us as reprehensible, and the distinction which I have just outlined represents a maldistribution.

The cutting of the top rate of inheritance tax to 40 per cent. will give those who are already wealthy an even greater boost. Only 5,200 taxpayers—fewer than one in 5,000—paid inheritance tax at rates above 40 per cent. last year on estates with an average value of £475,000. Assuming that a similar number would have paid the top rates of inheritance tax in the current financial year, the average gain from the cut in inheritance tax will be nearly £29,000. That is a direct gift from the Budget to those who are already wealthy.

For confirmation of that I turned to that well-known Socialist periodical, the *Financial Times*. In its analysis of the Budget of 16 March the *Financial Times* said:

> "The outstanding feature of the Chancellor's proposals is the benefit it gives the really wealthy. A millionaire, claiming no special reliefs or exemptions, gains—or rather his or her heirs gain—£145,000 at a stroke. The £2 million estate benefits to the extent of £345,000."

The newspaper also drew attention to the benefits that the Conservative Government had given over the past eight years to people passing on gifts. It said that just about every Budget

> "has seen some easing of the burden of death and gift taxes: raised thresholds; lower rates; reduced aggregation periods; gifts between individuals totally relieved of tax if they survive seven years; finally, this change to a single rate of tax of 40 per cent."

The evidence is clear that the real beneficiaries of clause 127 will be the extremely wealthy.

9.45 pm

The people who benefit will already be taking advantage of a wide range of mechanisms, especially the establishment of a variety of trusts that provide the possibility of planning to avoid inheritance tax. It is ineresting to note that tax avoidance experts say of this provision in the Budget that people should not simply take the gift that the Chancellor is giving them because it may be removed by a change of Government. I can happily assure them that they are correct in that assumption.

The basic principle of inheritance tax has been an interesting part of the debate. It was first mentioned by my hon. Friend the Member for Workington (Mr. Campbell-Savours) in an interesting and provocative speech.

Mr. Win Griffiths (Bridgend): My hon. Friend might be interested to know that our hon. Friend the Member for Workington (Mr. Campbell-Savours) is more fastidious and rigorous than God himself in his beliefs on inheritance. Leviticus chapter 25—I hope that Conservative Members will look it up at the end of the day —recommends that wealth should be inherited for seven generations, but at the seventh the family should be divested of it all and start again.

Mr. Smith: I commend my hon. Friend on his learning. It is interesting that my hon. Friend the Member for Workington is more severe than the Old Testament in this respect.

I liked the formulation of my hon. Friend the Member for Western Isles (Mr. Macdonald) better. He said that we must acknowledge the ties of kinship and of family but strike the right balance. He thought that the Government proposals had not struck the right balance.

Mr. Morgan: Does my hon. Friend agree that the philosophical cleavage between the silver spoonists on the Conservative side who believe in inheritance, and us, who believe that genuine competitive entrepreneurism can start only from a level playing field can best be summarised by saying that we are the real followers of Alderman Roberts

[Mr. Morgan]

of Grantham and believe that necessity is the mother of invention; they believe that necessity is the invention of mother.

Mr. Smith: My hon. Friend is right as usual. The Government and Conservative Members have made much in the debate of their proposals for income tax changes and of the incentive effect of being able to keep more of the wealth that one earns. There may conceivably be some justification in some of the principles that underlie those comments about this so-called enterprise culture. There can be no such justification for saying that someone who benefits from the fruits of his or her efforts should be able to pass that on to members of a subsequent generation who have not, by their efforts, contributed to the making of that wealth. The balance that the Government have been attempting to strike in clause 127 cannot be justified.

The hon. Member for Stamford and Spalding (Mr. Davies) constructed an intellectual gem when he said that human beings are at times selfish and at time selfless. As an observer of human nature, I feel that that must be accurate. The Conservative Government have, over the past few months, forgotten the selfless side of human nature. The Budget has spoken entirely to the selfish. The top rate tax reductions were bad enough. These adjustments in inheritance tax rates are even worse. In asking my right hon. and hon. Friends to vote against clause 128, I presume that we are, by so doing, clearly demonstrating our fervent opposition to clause 127.

Mr. Lilley: I apologise to the Opposition if they lost the opportunity to vote on clause 127 as a result of my natural, although unexpected, reticence and the procedural uncertainties.

Benjamin Franklin said:

"nothing can be said to be certain, except death and taxes."

Death has always held a peculiar attraction for the tax man, I suppose because the dead are the one group of taxpayers who cannot complain. The desire to bequeath an inheritance to one's heirs is one of the most powerful ambitions that motivate people. It is the objective that drives men to build up businesses, accumulate capital, build and improve houses and even to invest, as my hon. Friends the Members for Fulham (Mr. Carrington) and for Stamford and Spalding (Mr. Davies) have said so eloquently.

It is foolish to blunt such a potentially creative force by punitive inheritance taxes. If people know that the majority of their lifetime's effort will go not to their chosen heirs or causes but to the state, many will be discouraged from even starting on the path of enterprise. Others will sell out prematurely and enjoy the fortune themselves or devote themselves to the time-consuming process of tax avoidance. Even those who are insensitive to the prospect of inheritance tax may realise that their businesses will die with them when the executors are obliged to break into its assets to pay punitive death duties.

Those are the reasons why we have sought to ease punitive death taxes in this Budget. We have taken two further steps this year. First, we have substantially raised the threshold at which the tax is paid. Simple indexation would have required lifting the threshold from £90,000 to £94,000. Instead, we raised it by 22 per cent. to £110,000. This will take a quarter of all estates out of tax entirely. This follows a 27 per cent. increase in the threshold last year, so I remind my hon. Friends that in two years we have increased the threshold by 56 per cent.—substantially ahead even of the increase in house prices. Hon. Members who object to that presumably wish to bring more and more estates into taxation.

Secondly, we have scrapped the previous four rates of tax, ranging from 30 per cent. to 60 per cent., and replaced them with a simple flat rate of 40 per cent. The effect of that, plus the rise in the threshold, will be to reduce the burden of taxation on all estates. Since 1979 we have reduced the top rate of tax from 75 per cent. to 40 per cent., and simplified the structure by moving from no fewer than 14 different rates to just one.

Mr. Morgan: Is the Minister claiming that now that people have much less incentive to engage in tax evasion the number of accountants in this country will decline sharply as there is no longer need for them?

Mr. Lilley: Last week I spoke at the Institute of Taxation, and received a rather frosty reception from the president on account of the Chancellor's remark that that was the one profession that we hoped did badly out of the Budget. Of course, we believe that such professionals will find interesting and valuable uses for their talents elsewhere.

The hon. Member for Wrexham (Dr. Marek) quoted from the speech that I made to the Institute of Taxation, and mentioned my remarks about Father Navarette and his wise words on the disincentive effect of punitive taxation on income. The hon. Gentleman imagined that the reductions in taxation and the loopholes that had been left would mean that we would not succeed in getting much income from inheritance tax, and that the changes that we have made would reduce revenue.

It is worth noting that since we have cut the top rate of taxation from 75 per cent. to 60 per cent., as well as raising thresholds so that 96 per cent. of all estates are free from duty altogether, the revenue from the duty on estates has risen by about one half in real terms. When I first discovered that, I asked my officials whether we had created an incentive for people to die early. Hon. Members will be pleased to know that that probably is not the case. The buoyant yield of inheritance tax reflects the rise in asset values, the growing prosperity of the country, the increase in the number of businesses and, of course, the delayed effect of spouse exemption—in other words, the estates which were relieved from taxation when they were passed on to a spouse are now coming into taxation when the surviving spouse, usually the widow, passes on.

Although, as the hon. Member for Cardiff, West (Mr. Morgan) implied, many people went to considerable lengths to avoid paying inheritance tax, the incentive to do so certainly has been reduced, and is further reduced in the Budget. With a growing economy and an enterprise culture, we are confident that the base of inheritance tax will be buoyant in future. We welcome, as did my hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens) in his valuable speech, the fact that nearly two thirds of people own their own homes. Consequently more people are able to leave their homes to their children. As more people acquire shares, they will have investments to bequeath to their heirs. As more people build up businesses that nearly two thirds of people own their own homes. Consequently more people are able to leave their

homes to their children. As more people acquire shares, they will have investments to bequeath to their heirs. As more people build up businesses, they will leave family firms.

The hon. Member for Workington (Mr. Campbell-Savours), for whose integrity I have great respect and who is the sea-green incorruptible of the Labour party, made an interesting point. He intervened in the speech of my right hon. Friend the Chief Secretary to say that, in his view, the very process of inheritance undermines the spirit of enterprise. He is the living proof to the contrary. The fact that he renounced the prospect of inheritance did not stop him setting up a successful small business, and I pay tribute to him.

Mr. Lilley: The hon. Gentleman is an example to us all in this respect as in so many others, but he was not deflected from that path by the possibility of obtaining from his parents a substantial inheritance which he chose voluntarily to renounce. The hon. Gentleman asserted that we suffered relative to Japan in that Japan, in his view, had higher inheritance taxes. Until this year, if one left £500,000 to one's heirs in this country, one would have had to pay more tax than in Japan. Similarly, if one left £1 million in this country, more tax would have had to be paid than in Japan. The hon. Member for Edinburgh, South (Mr. Griffiths) referred to a person leaving £2 million. Until this year, one would have had to pay more tax on that amount than in Japan. Since the Budget, the position of those who leave £2 million is slightly better in this country than in Japan. However, I do not believe that the hon. Gentleman will maintain that Britain has benefited in the past from our high inheritance tax compared with Japan.

10 pm

Small businesses that are passed on to heirs pay considerably less inheritance tax than is paid in Japan because of the special exemptions that we make. We are particularly concerned to ensure that the growth in prosperity of family businesses is not threatened by the burden of inheritance tax. The abolition in 1986 of capital transfer tax on lifetime giving enables family businesses to be passed on to the next generation tax-free.

Mr. Morgan: Is the Minister willing to accept that 99 per cent. of all independent commentators have attributed much of the superior economic growth performances of both Germany and Japan since the second world war, compared with this country, to the fact that to an extraordinary extent there has been continuity of wealth in this country, which has been associated with very slow economic growth? Japan and Germany had to start afresh in 1948. Much of their greater wealth has been created by first generation entrepreneurs.

Mr. Lilley: I do not know which economic commentators the hon. Gentleman employs, but he should employ new ones. Germany has the lowest inheritance tax of any of the countries that I have considered, if wealth is passed on to a close relative or to a child. This country has far fewer family businesses than Germany and Japan. We want to reverse that trend.

If tax is payable, the effective rate for a family business that enjoys 50 per cent. business property relief is less than 20 per cent. That is one of the lowest rates in any major Western economy. The desire to leave something to one's children and grandchildren, to friends and to causes that one supports is both natural and altruistic and a penal burden should not be imposed.

We do not believe in a one-generation society—each generation starting anew with nothing. Furthermore, it is not realistic. Each generation stands on the shoulders of its predecessors. As a society, we inherit the wealth, technology and infrastructure that have been created by previous generations. It is only reasonable that individuals should also have the right to pass on inherited wealth to their heirs as they choose.

The hon. Member for Berwick-upon-Tweed (Mr. Beith) referred to clause 128. I welcome his support for it and the support of his party in 1975 when the unfortunate anomaly was created. It is right and reasonable that we should recognise the right of individuals to pass money to political parties, if they so wish.

Several hon. Members have said that the only beneficiary of this change will be my right hon. Friend the Paymaster General, wearing his other hat. When I was chairman of the Bow Group, the right hon. Member for Leeds, East (Mr. Healey) was trying to introduce a wealth tax. I met my counterpart, the then chairman of the Fabian Society, now Lord Ponsonby, who told me that he had just been lobbying the right hon. Member for Leeds, East because he feared for the finances of the Fabian Society if it were unable to benefit from the inheritances that it received. He asked me to support him. I had to say that, as fas as I knew, the Bow Group had never received any inherited money and that it was not in that fortunate position.

This change stands to benefit all sides of the political spectrum, and I commend it to the House.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 259, Noes 192.

Division No. 294] **[10.4 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Tom *(Hazel Grove)*
Ashdown, Paddy
Atkins, Robert
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Bellingham, Henry
Bennett, Nicholas *(Pembroke)*
Bevan, David Gilroy
Biffen, Rt Hon John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Bruce, Malcolm *(Gordon)*
Buchanan-Smith, Rt Hon Alick
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Mont'g)*
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Couchman, James
Cran, James
Critchley, Julian
Currie, Mrs Edwina
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*

Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Fallon, Michael
Farr, Sir John
Favell, Tony
Fearn, Ronald
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Fry, Peter
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heseltine, Rt Hon Michael
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howard, Michael
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles
Key, Robert
Kilfedder, James
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Kirkwood, Archy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Livsey, Richard
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
Macfarlane, Sir Neil
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Mellor, David
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Morrison, Hon Sir Charles
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Michael
Price, Sir David
Raffan, Keith
Redwood, John
Renton, Tim
Rhodes James, Robert
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sayeed, Jonathan
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speller, Tony
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Taylor, Ian *(Esher)*
Taylor, Matthew *(Truro)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thurnham, Peter
Townend, John *(Bridlington)*
Twinn, Dr Ian
Waddington, Rt Hon David
Walker, Bill *(T'side North)*
Wallace, James
Waller, Gary
Ward, John
Widdecombe, Ann
Wiggin, Jerry
Winterton, Mrs Ann
Yeo, Tim

Tellers for the Ayes:
Mr. Mark Lennox-Boyd and
Mr. Stephen Dorrell.

NOES

Adams, Allen *(Paisley N)*
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Callaghan, Jim
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Robin *(Livingston)*
Corbett, Robin
Cousins, Jim
Cox, Tom
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Dr John
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Heffer, Eric S.
Henderson, Doug
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
Janner, Greville
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Lambie, David
Lamond, James
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
McWilliam, John

Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martlew, Eric
Maxton, John
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Paisley, Rev Ian
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Primarolo, Dawn
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Turner, Dennis
Wall, Pat
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Winnick, David
Wise, Mrs Audrey

Tellers for the Noes;
Mr. Frank Haynes and
Mr. Frank Cook.

Question accordingly agreed to.
Clause ordered to stand part of the Bill.

Clause 42

HOME IMPROVEMENT LOANS

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I beg to move amendment No. 10, in page 43, line 41, at end insert

'or the loan is made to a registered disabled person.'.

The First Deputy Chairman: With this we may take amendment No. 11, in page 44, line 14, after 'April 88' insert

'or the loan is made to a registered disabled person.'.

Mr. Kirkwood: Clause 42 raises some wide-ranging and important issues. The amendments seek to focus the debate on a more finely defined issue—the disabled. Amendment No. 10 is fairly transparent in its purpose: it seeks to retain tax relief on home improvement loans for disabled people. The justification is simply that disabled people need to adapt their homes to meet the needs of their disabilities.

It goes without saying that the disabled are a particularly vulnerable section of our community. Opposition Members would argue that some of them have suffered especially severely at the hands of the present Government, particularly in relation to the recent social security changes. The old system of supplementary benefit, which brought in its train a system of regular additional payments and single payments as a legal requirement, allowed disabled people to underpin their income and to receive substantial support. The provisions brought in at the beginning of last month changed that system. As a result of the new regime of income support, the severely disabled in particular have suffered considerable financial loss.

My amendment refers directly to registered disabled persons, although I should like to talk about a slightly wider group. The term "registered disabled person" does not embrace the needs of the elderly or, necessarily, those of the mentally handicapped or mentally ill. A large group of people could benefit from the amendment if it were accepted. There are, however, problems of definition in making it clear to whom we are trying to give the concession. The simplest option is probably to restrict debate to the words of the amendment, which embrace only registered disabled persons. The wording has a statutory meaning which leaves no doubt about who would qualify for exemption.

I do not think that the Government can base an argument on the costs that the amendment would involve. The tax forgone by the Treasury would be restricted, because a limited number of people would qualify, and only a relatively small proportion of that group would consider physical adaptations to their homes of benefit to them as individuals.

The cost of the amendment would be modest, but I submit that the effect of obtaining the relief—the ability to undertake such improvements—could transform the quality of life for those taking advantage of the measure. In my experience, few disabled people living outside custom-built institutionalised premises could not benefit from some physical alteration to their homes. There is a case for a coherent Government policy on disabled people to be applied across various Departments. It is only recently that we have begun to appreciate how the quality of life for people with disabilities can be transformed by simple changes to their homes.

[MISS BETTY BOOTHROYD *in the Chair.*]

I have personal experience of taking part in a stunt organised by the Young Liberals at the Liberal assembly in 1986. It consisted of putting me in a wheelchair for the best part of a day and taking me through the process of staying in an hotel and taking part in the conference. That had a salutary effect on my perception of some of the problems faced by people in wheelchairs in their homes and their ordinary everyday lives.

There is a real need for the Government to adopt a coherent approach and to accept the need to change the perceptions of those of us who enjoy good health and a full life. We have a real fight on our hands and a campaign is needed to change people's attitudes. The Government have an important role to play in that. The change that I am suggesting in the amendment would, if it were accepted, play an important part in that coherent Government policy.

If the Government resist the amendment, they will be liable to the charge that their timing is to be deplored. I say that because the Committee will know that the Office of Population Censuses and Surveys expects to publish the results of a survey of disabled people in a series of reports to be issued later this year. That survey will establish the need and extent to which care and support are required. In the past, Government Departments have been labouring under the handicap of not knowing the true extent of the needs of disabled people. Later this year that will not be the case.

I believe that the information that the OPCS provides will serve to inform us about the extent to which ramps, wider doors, lifts and improved access for disabled people can help. It will show the extent to which extra rooms for carers added to homes, or to which bathrooms or single-storey accommodation can prevent institutionalisation. That is all in the area of constructive improvement and does not begin to embrace the improvements that can be brought about by electronic aids which can now be built into improvements in and adaptations to disabled people's homes.

There are other aspects of Government policy that already recognise the needs of the disabled. I draw the Committee's attention to the report on community care recently published by Sir Roy Griffiths. That recognises the need for social work departments to provide tailor-made support to enable people to continue to live at home. The report said:

"If community care means anything, it is that responsibility is placed as near to the individual and his or her carers as is possible."

If community care is to be a reality and more than just a slogan to which the Government pay lip service, the terms of the amendment should be accepted. Our suggestions can make a positive contribution.

There are other examples of the way in which the distinct nature of building work for disabled people can make a contribution. That has been recognised by Governments in a number of ways. For example, improvement grants have always been paid to the disabled at priority rates. Disabled people are allowed to have charges waived for planning and building control applications and perhaps most significantly, disabled people have always been eligible for zero rating for value added tax on building costs. Therefore, there are clear precedents. Deliberate and coherent concessions have been made to try to improve the special needs of disabled people.

My argument to the Committee in relation to these amendments is that the key difference for the disabled person when considering home improvements is that they are necessary. They are not a matter for exercising choice, which would be the case for able-bodied members of the community. The interest relief that I wish to sustain in the amendment is important to disabled people. To remove the relief would impose an unnecessary financial burden on the most vulnerable members of society.

10.30 pm

Mr. Butterfill: I have listened with great interest and some sympathy to the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood). Many of us would agree that the special needs of the disabled should be accommodated wherever possible. On the other hand, I have to say that there are many other groups that we could include in the special pleading made by the hon. Gentleman. No doubt some of us will turn to that later this evening.

What is incontrovertible, however, is that there has been a lot of abuse of loans for the purpose of home improvements. The hon. Gentleman's amendment would carry greater weight if it proposed not only that the exemption should be for disabled persons, but arising out of their special needs as disabled persons. There is otherwise a possibility of some abuse by disabled persons, as there is by other members of the community in the same way. For that reason, I feel unable to support the amendment.

Mr. Morgan: The answer to abuse is to correct the abuse by asking for invoices, so that a grant depends on the submission of audited invoices for the work done.

Mr. Chris Smith: On behalf of the official Opposition, I welcome the amendments tabled by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood).

The hon. Member for Bournemouth, West (Mr. Butterfill) mentioned two objections to the amendment, the first being that many others might fall into a special need category. That is precisely why we shall be debating on clause stand part some of the wider issues surrounding the removal of relief from home improvement loans.

The hon. Gentleman also mentioned the problem of abuse. That point has been answered excellently by my hon. Friend the Member for Cardiff, West (Mr. Morgan) by saying that one tackles abuse by tackling specific abuses rather than removing the relief altogether.

Mr. Butterfill: With regard to what the hon. Member for Islington, South and Finsbury (Mr. Smith) and his hon. Friend the Member for Cardiff, West (Mr. Morgan) have just said, the point could be even better tackled by an amendment providing that the relief would be directed not just to disabled persons, but to their special needs. That is my objection to the wording of the amendment.

Mr. Smith: The hon. Gentleman fails to pick up the point, which I shall deal with later in more detail, that when addressing abuse one addresses distinctly those areas where abuse is likely to occur. There is very little evidence that people with disabilities have been abusing the home improvement tax relief system. Indeed, that is one reason why I certainly wish to support the amendment tabled by the hon. Member for Roxburgh and Berwickshire.

I support the amendment for three other reasons. First, the essential nature of the improvement work carried out by those with disabilities reflects their need for extra ramps, wider doors, lower working surfaces, and wider internal doorways in their dwellings. The sort of improvements that are carried out are essential for them to lead a proper and easy life. Secondly, many of them face a financial necessity in carrying out improvement work, which to a certain extent is eased by the prospect of tax relief being available. Thirdly, it is easy to check and monitor such a system. It is administratively easy because of the system of registration of disabled persons. The amendments would easily cope with that. The Government will be hard put to find cogent arguments against them. I hope that they will accept them.

Mr. Wigley: I apologise, Miss Boothroyd, for arriving late. I understand that earlier the timing went a little skew-whiff.

I very much support the amendment. Disabled people should have the maximum provision possible. I know, from my experience on the all-party disablement group and from constituency cases, the sort of help that can be made available and which makes a material difference. There is, for example, tax relief. It may not make a great difference to disabled people if they are not taxpayers and not in a position to get direct benefit from it, but it can make a difference to the large number of people whose incomes or benefits are taxed.

The situation of disabled people is difficult enough. We, as a family, know that the cost of disablement can be much higher than the estimates, especially when there is multiple disablement. Attendance allowance and other benefits—we welcome the new benefits—often do not go far enough towards meeting the costs of day-to-day living or leaving any money to spare, either to fund loans to undertake the work needed on a house or to accumulate capital to do that work directly.

It is clear that disabled people need to meet a greater expenditure than the average family.

Mr. Butterfill: Would it not be an anomaly, which the hon. Gentleman would find difficult to support, if the amendment were carried and a disabled person were permitted tax relief on an extension to provide an extra bathroom but a family with young children with an equal need for a bathroom were denied that same relief?

Mr. Wigley: One can argue in favour of relief for families with young children, especially when income support is not sufficient to provide the basic facilities needed for everyday life. There are families on income support who will not pay tax whereas often disabled people, because of the nature of their income, to pay tax. Their cost of living in meeting everyday requirements is that much higher than even the costs of meeting the burdens on people with young families. I can testify to that from personal experience, but many other people, who have had the same experiences as we have but have not had the resources to meet them, can testify even more strongly.

Mr. Morgan: There is a further financial reason for making tax relief available: the adaptations which are carried out on the homes of disabled people frequently cost a lot of money and reduce the property's capital value on the open market, because they are specific to the needs of the disabled.

Mr. Wigley: That is true in some circumstances. It can work both ways. If a bathroom is needed downstairs as well as one upstairs, that can be additional, but some changes make it difficult to sell a house. I can think of one instance in my constituency when that certainly happened.

It comes back to the question how we try to help disabled families to meet their additional costs in paying for their everyday requirements. One could certainly argue that there are other ways of doing it, but since those ways are not available at present and the benefits, the specialised housing availability and the grants through the social services departments are to a large extent not available to the majority of those who need them, one has to look at what is possible. This has been a possible avenue in the past for undertaking certain work. It has been more generally available, and if it is now to be less generally available I would argue that there is still a strong case for being able to help disabled people and that they should be the last group from which one withdraws this sort of assistance.

I therefore suggest to the Committee that in making this additional provision within the exceptions to paying full income tax and giving this additional relief one is doing something that has support across the Chamber, not only in this context but in others. I hope that, if the Government cannot give a commitment to look again at this matter—if they could, I would welcome it—the entire Committee will support the amendment.

Mr. Brooke: I understand the sentiments which have informed this brief debate. These amendments would continue relief for home improvement loans to registered disabled people irrespective of the improvements carried out and of whether they were connected with the borrower's disability—a point made by my hon. Friend the Member for Bournemouth, West (Mr. Butterfill).

This would be very arbitrary in its impact. First, many people with disabilities or special needs of one sort or another are not registered. Secondly, most improvements are irrelevant to a person's disability and it would be odd to provide relief for a loan for double glazing for a disabled person but not for someone else. Thirdly, relief is given only to the borrower and this would do nothing to help a borrower who is not disabled but has a disabled person in his or her household.

An alternative approach would be to try to construct a less arbitrary relief which would be limited to deserved improvements for the disabled. That would be a very difficult allowance to try to administer. The tax system has to operate by reference to general rules and cannot easily distinguish between particular cases.

Mr. Chris Smith: The right hon. Gentleman seems to be in the midst of arguing that because we have a system that is good but ultimately imperfect we should remove it altogether, and that we cannot have a perfect system because that would be administratively too complex. He mentioned double glazing. Does he not recognise that there are many people who, because of their disability, need better heating than other people and that the energy conservation which might become available with double glazing could be of incalculable benefit to them?

Mr. Brooke: I understand the hon. Gentleman's argument, but he is making my point for me. He is saying that there will be individual cases in which double glazing is relevant, although there may be a large number of cases in which it is not. It would be throwing on the administration in terms of the tax the decision whether double glazing was appropriate for that particular person.

The right approach here is through the grants which are available to adapt homes for disabled owners and occupants. As the consultation paper "Home Improvement Policy" makes clear, we intend that these grants should continue and be mandatory.

The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) referred to particular arrangements for VAT in a certain number of cases of disabled persons, but he implied that they were universal and applied to all such cases. That is not so; they are specifically tailored, and that underlines the point I was seeking to make.

I ask my hon. Friends to resist the amendment.

Mr. Kirkwood: That really is an unacceptable response, and fairly pathetic. The Minister is saying that it is all too complicated and difficult and would create too many bureaucratic anomalies. That is a disgraceful way to approach these things. Of course the other provisions that he referred to exist, but we are trying to get the Government to face up to the need for a coherent approach that addresses all these problems, some of which may well be complicated. Some may well be technically complicated, and of course some amendments are less than perfect. That is because we are all enthusiastic amateurs when it comes to parliamentary draftsmanship. We do not have the experience of parliamentary draftsmen.

[Mr. Kirkwood]

The Minister's response was disgraceful and the lobby groups outside the House will read his reply with great interest and condemn him in the way that he so richly deserves. I hope that hon. Members will join me in the Lobby tonight.

Question put, That the amendment be made:—

The Committee divided: Ayes 91, Noes 206.

Division No. 295] **[10.45 pm**

AYES

Abbott, Ms Diane
Ashdown, Paddy
Barnes, Harry *(Derbyshire NE)*
Battle, John
Beckett, Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Boateng, Paul
Boyes, Roland
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Bruce, Malcolm *(Gordon)*
Buchan, Norman
Buckley, George J.
Campbell, Menzies *(Fife NE)*
Campbell-Savours, D. N.
Carlile, Alex *(Mont'g)*
Clwyd, Mrs Ann
Cook, Robin *(Livingston)*
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Darling, Alistair
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dunnachie, Jimmy
Evans, John *(St Helens N)*
Faulds, Andrew
Fearn, Ronald
Fisher, Mark
Flynn, Paul
Foster, Derek
Fraser, John
Galbraith, Sam
Golding, Mrs Llin
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Haynes, Frank
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howarth, George *(Knowsley N)*
Hughes, John *(Coventry NE)*
Hughes, Sean *(Knowsley S)*
Ingram, Adam
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Kennedy, Charles
Kirkwood, Archy
Lewis, Terry
Lloyd, Tony *(Stretford)*
McAllion, John
McAvoy, Thomas
McFall, John
McKay, Allen *(Barnsley West)*
McLeish, Henry
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Maxton, John
Meale, Alan
Michael, Alun
Moonie, Dr Lewis
Morgan, Rhodri
Mowlam, Marjorie
Nellist, Dave
Parry, Robert
Patchett, Terry
Pike, Peter L.
Powell, Ray *(Ogmore)*
Primarolo, Dawn
Quin, Ms Joyce
Ruddock, Joan
Salmond, Alex
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Soley, Clive
Spearing, Nigel
Taylor, Matthew *(Truro)*
Turner, Dennis
Wallace, James
Wareing, Robert N.
Wigley, Dafydd
Williams, Alan W. *(Carm'then)*
Wise, Mrs Audrey

Tellers for the Ayes:
Mr. Andrew Welsh and
Mr. Richard Livsey.

NOES

Adley, Robert
Aitken, Jonathan
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Tom *(Hazel Grove)*
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Bevan, David Gilroy
Biffen, Rt Hon John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bowden, A *(Brighton K'pto'n)*
Bowis, John
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl'ts)*
Browne, John *(Winchester)*
Buchanan-Smith, Rt Hon Alick
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Chapman, Sydney
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Couchman, James
Cran, James
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Fallon, Michael
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Ground, Patrick
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heseltine, Rt Hon Michael
Hill, James
Hind, Kenneth
Holt, Richard
Howard, Michael
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Irvine, Michael
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
Macfarlane, Sir Neil
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Marland, Paul
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Mellor, David
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Montgomery, Sir Fergus
Morrison, Hon Sir Charles
Moss, Malcolm
Moynihan, Hon Colin
Nelson, Anthony
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Michael
Price, Sir David
Raffan, Keith
Redwood, John
Rhodes James, Robert
Ridley, Rt Hon Nicholas
Roberts, Wyn *(Conwy)*
Rowe, Andrew
Ryder, Richard
Sainsbury, Hon Tim
Sayeed, Jonathan
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Spicer, Sir Jim *(Dorset W)*
Squire, Robin

Stanbrook, Ivor
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Taylor, Ian *(Esher)*
Thorne, Neil
Thurnham, Peter
Twinn, Dr Ian
Waddington, Rt Hon David
Walker, Bill *(T'side North)*
Waller, Gary
Ward, John
Widdecombe, Ann
Yeo, Tim

Tellers for the Noes:
Mr. David Lightbown and
Mr. Stephen Dorrell.

Question accordingly negatived.

Motion made, and Question proposed, That the clause stand part of the Bill.—*[Mr. Brooke.]*

Mr. Gerald Howarth (Cannock and Burntwood): This clause chips away at the tax relief which has been available to home owners for a great many years. I welcome the Government's sensible refusal to index the £30,000 maximum for mortgage tax relief. It may have been right to encourage home ownership by fiscal incentive, but there is a case for allowing that distortion to fade away through inflation, which is what is happening.

I should be happy if the incentive were transferred to encourage movement from public to private sector provision for other things, particularly health. Tax relief for the medical insurance premiums of the over-60s would be one way of encouraging further growth in private sector health provision.

It is right to retain tax relief for existing borrowings for home improvement loans. The Committee will welcome that. To have done otherwise would have disrupted the finances of many households that had planned their affairs on the basis that they would get that tax relief. It seems that an existing borrower will lose relief if he repays his loan and refinances it with a new loan from a different lender. In effect, he will be locked into his existing lender. If that lender charges a relatively high rate of interest, the borrower will not be able to shop around the market for a cheaper rate because it is unlikely that the difference in rate will compensate him for the loss of that tax relief. The lender will have his borrower over a barrel.

The problem affects anyone with a mortgage, any part of which was to finance improvements. There are many such mortgages. It is encouraging that the mortgage market has become more competitive in recent years, and it would be a great pity if that competition were stifled by tax problems arising out of this clause. I understand that some mortgage lenders are getting as much as a third of their new business through transfers of existing loans from other lenders. Might it not be more equitable if tax relief could be continued when a borrower refinanced his mortgage with a new lender without losing tax relief?

11 pm

There is also doubt about what happens if a lender wants to sell mortgages to another financial institution. This is an increasingly likely possibility as there are signs of a more active secondary market in mortgages developing here along lines similar to those in the United States. Again, it would be pity if this development were strangled at birth. I should like my right hon. Friend the Paymaster General to reassure the Committee that the borrower will not lose tax relief simply because his lender has sold on the mortgage to another party.

There are also two practical difficulties that I draw to the attention of my right hon. Friend. The first is where a mortgage was taken out some time ago, partly to buy a house and partly to improve it, and has since been partly repaid. How will the Inland Revenue decide what proportion of the remaining loan qualifies for tax relief if the loan is then sold or refinanced?

The second problem, which is rather more important, concerns the first-time buyer of modest means who will buy a property that needs, in the words of the estate agent, "some modification". In other words, it needs a lot of improvement. This means that young couples in particular can buy a first house without having to put down too much capital, and by a process of do-it-yourself can, over months or years, but at their own pace, improve the property and, all the way along the line, borrow money on the mortgage so that the improvements will qualify for tax relief. I know that many people do this, and I did it myself, and I know that hon. Members on both sides of the Committee will have experience of this situation.

Outside the south-east of England—for example, in my constituency—one can buy a property for £15,000, which is not possible in this part of the country. The capital cost of that acquisition would qualify for relief, but under the clause any improvement done by the young couple who had bought such a house over the next year or two would not qualify for relief, and they would lose that advantage. All sorts of schemes may be dreamt up to do something about this problem, but the chief beneficiaries will be the estate agents—some may say, "again".

I hope that my right hon. Friend will consider the practical difficulties that arise out of this clause, and that he will be able to give me the reassurances that I seek.

Mr. Chris Smith: I hope, as a result of the remarks that the hon. Member for Cannock and Burntwood (Mr. Howarth) has made, that he will be joining us in the Lobby to vote against clause 42. We have a number of basic objections to clause 42. First, it will deter the improvement of the nation's housing stock. Secondly, it will harm the construction industry. Thirdly, it will harm a substantial number of bona fide home owners.

The National Home Improvement Council, in its comments on the measure, has pointed out that this comes on the heels of a number of other Government measures that deter home improvement. It pointed out that the 15 per cent. VAT that is now added to all home improvement works, including repair and maintenance, but does not apply to new build work, is a deterrent to improvement. It also pointed out that the abolition of insulation grants, except for those receiving social security assistance, deters home improvement, as will the abolition of income tax relief on interest on home improvement loans. It went on:

"These measures taken together are hard to reconcile with the Government's stated intention of revitalising the older housing stock."

That puts it in a nutshell. The Government cannot on the one hand claim to be seeking to improve our older housing stock, and on the other hand seek to remove tax relief which is one of the mechanisms for bringing about that improvement.

Why are the Government bringing in this measure? Perhaps the answer lies in the Chancellor's Budget speech. When talking specifically about home improvement loans, he said:

"This may be partly due to the substantial scope for abuse, as loans ostensibly taken out for home improvements are used for other purposes, a matter which was the subject of a recent report from the Public Accounts Committee."—[*Official Report*, 15 March 1988; Vol. 129, c. 1009.]

As far as I can tell from reading carefully what the Chancellor said in his Budget speech, and what has been said by Ministers subsequently, that seems to form the entire burden of their argument for removing tax relief from home improvement loans.

Let us consider the question of abuse, which does occur to some extent, and how best to tackle it. First, abuse can be much better controlled than it is at the moment by greater monitoring and checking that work has been carried out for the loan that has been received and which is the subject of relief. Indeed, that was the burden of the two amendments that I and my hon. Friends tabled, and that, in the interest of getting on to the wider clause stand

part debate, I did not move. Surely it should stand as an automatic principle that if there is abuse, the entire relief should not be removed altogether from those who abuse and those who do not abuse. Instead, there should be more careful control of the use to which the loan is put. The Government should have taken that route. Sadly, they did not do so.

Secondly, as far as anyone can tell, abuse is at a relatively low level. Some three years ago, by means of a parliamentary question, I asked Government Ministers what was their assessment of the amount of abuse of tax-relieved home loans. At that time they could not provide an estimate. Now, suddenly, when we come to consider this measure, we get an estimate. The Inland Revenue's best estimate is that the level of abuse on home improvement loans for tax relief is around 20 per cent., of the loans that are taken out. Effectively, the Government, in seeking to tackle 20 per cent. are harming the other 80 per cent.

The Building Societies Association put it extremely well in the briefing document that it prepared in connection with our debate. It is worth quoting because it is apposite to what we are discussing and to the issue of abuse which was raised earlier by the hon. Member for Bournemouth, West (Mr. Butterfill) and which seems to be at the heart of what the Government are seeking to do. The Building Societies Association says:

> "It seems unfortunate that the government is using abuse as a reason for denying something which was previously considered perfectly acceptable, and, also, that it has not allowed the measures which it had taken to deal with abuse to be seen to be working. It is rather like suggesting that because there is abuse of unemployment benefit, that unemployment benefit itself should be abolished, whereas in this particular area the government does prosecute."

I do not want to give ideas to the Government or some of their supporters, but even this Government can surely see that, even if there is abuse, it should not be tackled by removing the relief altogether.

Some of the items that count as being eligible for home improvement loans are regarded by the Government as luxuries or unworthy items. The item that is always quoted is double glazing. The Government always ignore the fact that double glazing can have beneficial energy conservation effects. It is sometimes needed in inner city constituencies—I speak with some feeling as I represent one of them—to make life tolerable for people by cutting down the level of noise. Far from being a luxury, double glazing may be a necessity.

Mr. Butterfill: If double glazing is necessary because of the amount of aircraft or traffic noise, it can be made available through public funding, but if it is considered to be necessary for insulation purposes it would be very much better to spend the money on insulating the cavity walls or on providing additional loft insulation.

Mr. Smith: The hon. Gentleman is partly right, but he is not right about the availability of public funding. I should like the residents of Canonbury road in my constituency, who include the Economic Secretary to the Treasury, to be able to secure public funds with which to double glaze their windows to keep out the traffic noise, but that is an impossibility. The hon. Gentleman ignores the fact that the Government could have said that they would draw up a check-list of items, some of which are acceptable while others are not, and that home loans would or would not qualify for tax relief by reference to the check list.

The Government's arguments about abuse and about the "luxury" nature of some of the improvements have no validity because easily administered and valid mechanisms are available to deal with both of those points. Sadly, the Government have chosen to include clause 42 in the Bill. Its effect will be detrimental in a number of ways. It will be detrimental especially to those who purchase homes that are in a substantial state of disrepair. That happens in many parts of the country, and especially to people who are on relatively low incomes, for whom that may be the only way to achieve home ownership status to which they aspire.

Why do the Government not accept the Building Societies Association's proposal, that if improvement work is carried out within 12 months of the purchase of the property it ought to qualify? The Government could easily accept such an amendment to assist the problem of those purchasing homes in a state of disrepair.

The Government ignore the fact that over 1 million dwellings in this country are unfit for habitation. Almost all of them are in the private sector and many are owned by elderly people who, without financial assistance, cannot afford to renovate them or carry out the necessary improvements to enable the homes to be brought up to the appropriate standard. The Government should have taken account of that and of the impact of the measure upon the condition of those properties.

11.15 pm

The Government have not taken account of the problem of replacement or consolidation loans which are often taken out in a bona fide manner by owner-occupiers wishing to consolidate a number of different mortgages on the same property or to transfer their mortgage from one lending agency to another. Again, the Building Societies Association has proposed sensible measures to deal with that problem. I look forward to hearing from the Paymaster General that the Government are listening to those suggestions.

The Government have also done nothing to deal with the anomaly that will develop because the loan on an original purchase will qualify for mortgage tax relief, while the improvement work carried out subsequently will not qualify for tax relief, yet, upon a subsequent sale, the entire value of the improved property will qualify for full mortgage tax relief. Is it fair that the original purchaser should qualify for less mortgage tax relief than the subsequent purchaser? That anomaly will develop as a result of the Government's proposals and, so far as we can see, the Government are doing nothing to deal with that.

Finally, the Government ignore the fact that their proposal will encourage people to take out much larger mortgages than they need to fund a subsequent improvement that they fear may be needed to bring the property up to an appropriate standard.

The Government have ignored all those points in bringing forward this proposal. We must ask them to think again about the clause. It will harm home owners, will be to the detriment of the condition of our nation's housing stock and will play havoc with, and create anomalies in, the home loans market. I sincerely hope that the

[Mr. Smith]

Government will go back to the drawing board, think again and, when they see abuse, will not take a sledgehammer to smash many good features.

Mr. Butterfill: I must declare two interests in respect of this clause because, whichever way the vote goes this evening, I may stand to gain from it. First, I am a director of two construction companies with an interest in the removal of the clause from the Bill. Secondly, I am a senior partner in a firm of chartered surveyors which is also involved in estate agency. As many people may be forced to move because they will not be allowed to extend their homes, my agency may well benefit from the clause.

We must address that dichotomy. I would be the first to agree that there have been many abuses of home improvement loans. There is no doubt that loans have been used to buy motor cars, holidays in Marbella and for other purposes for which they were not intended. However, it is possible to deal with those abuses in ways other than by abolishing the system of home improvement loans.

Mr. Bob Cryer (Bradford, South): In view of his declaration, would the hon. Gentleman like to comment on the view of Sir Jeffery Sterling about the striking seamen at P and O and moonlighting?

Mr. Butterfill: I do not think that that intervention is worthy of a reply. I shall return to the subject under debate. We are seriously debating whether there should be a system of home improvement loans and what justification there is for them.

In regard to rural properties, for example, it would not be possible in green belt areas to have permission granted for new properties, but it is desirable that existing properties should be improved and, in some cases, extended. In rundown inner-city areas, too, it is desirable to be able to improve the housing stock and to encourage owners to make improvements. For that reason, I hope that it will be possible to retain some relief for those people who wish to improve their properties.

I have received many representations on this matter from the chartered accountants in Scotland and in England, the Building Societies Association and many others. We know that the National Home Improvement Council is anxious that relief should be retained. The essence of the problem is, therefore, how to deal with the abuses and to tighten the criteria under which home improvement grants might be available.

There are some so-called improvements which are not strictly necessary. They could reasonably be excluded. There are others, however, that are entirely desirable and should be permitted. The chartered accountants in Scotland have suggested that there should be a system of inspection by surveyors and that certificates should be issued. Again, I declare an interest as a surveyor, but that proposal seems eminently sensible, especially if the prospective borrower is required to pay the costs that the Government might incur in making inspections and issuing certificates. If the borrower is to receive a benefit in the form of tax relief, he should pay the cost to the public of certifying that relief should be available. As such a scheme could be made available, I ask my right hon. Friend to think again about this matter.

Mr. Win Griffiths: We have here a most insidious and damaging clause which will have serious repercussions on the state of property, especially in Wales and other parts of the country where the industrial revolution had its first roots.

Wales has more housing stock which was built between 1870 and 1914 than any other part of the United Kingdom. Only this week, Arolwyg Cyflwr Tai Cymru—the Welsh house condition survey for 1986—was published. Although it shows a slight improvement in the condition of the Welsh housing stock, it reveals that there are still 72,000 houses which it considers unfit. Of those, 40,000 lack basic amenities of some sort, ranging from no inside toilet or bathroom to no hot water or kitchen sink. Some 55,000 terrace houses in Wales need repairs costing more than £3,000. That applies to 23,800 semi-detached houses and 29,300 detached houses. Fortunately, it applies to only 3,700 flats. There is a need to invest more money in improving the housing stock of Wales.

Mr. Wigley: As part of my own constituency—the Dwyfor area—is cited as the worst district included in that survey, will the hon. Gentleman confirm that the worst districts are also those which have the longest waiting lists for grants, stretching back before 1984? People there cannot rely only on grants to improve the condition of their properties. They must look to capital from other directions to do that, which is why these provisions are so important.

Mr. Griffiths: I confirm what the hon. Member for Caernarfon (Mr. Wigley) says and would add that it is a problem not just in the areas of worst deprivation but right across Wales. Last year, my own district of Ogwr, for example, granted about 800 home improvement grants. The council considers that almost all of the applicants obtained a top-up loan in addition to the grant in the form of an extension to their mortgages, so that the work could be carried our properly. Because home improvement grants are now usually a maximum of 50 per cent. it is necessary for people to obtain an additional loan—yet clause 42 would end tax relief for people obtaining such loans.

The properties concerned are usually of fairly low value and are subject to mortgages nowhere near the £30,000 limit on which tax relief can be enjoyed. They are the property of people who would be worthy of, and could justify receiving, the relief that will now be ended. In the south-east of England, where property prices are much higher, there is no problem about an individual using up the whole of the tax relief to which he is eligible.

Mr. Morgan: Perhaps my hon. Friend and I can educate Conservative Members in respect of the value of typical properties in the valleys or in a south Wales city. There, an unimproved house would be worth perhaps £11,000 or £12,000,and might achieve a value of £20,000 to £23,000 once it had been improved. Even after improvement, those properties would still not utilise the full tax relief that properties in the south of England automatically enjoy.

Mr. Griffiths: Rather than dispense with the scheme altogether, the Government ought to consider clearly defined categories of eligibility. I refer, for example, to those people who have obtained home improvement grants and those people employing energy-saving

measures. I refer also to disabled people, who were the subject of the amendment so unfortunately defeated earlier this evening. There are also properties which have been declared unfit for human habitation but which, according to a local authority inspector, could be made habitable if work was done on them. The Government would do well to reconsider this clause and ways of operating it more effectively.

Mr. Darling: This is a surprising proposal from the Government, as two Conservative Members have demonstrated. We must consider it in the light of other proposals within the Finance (No. 2) Bill. Home improvement is of crucial importance, especially in inner-city areas—one of which I represent. Central Edinburgh generally is not rundown, but had it not been for people improving their own houses, many of those properties would not be left standing today.

Instead of widespread demolition and the building of tower blocks, Edinburgh has been successful in maintaining both the new and the old town. Because most of the property takes the form of tenements, it is expensive to improve and maintain. Improvement to property is surely something that we should encourage, especially as there is usually a high demand for houses of this sort.

In my view, home improvement grants are the main vehicle that we should consider as a means of improving property. They target help in a way that mortgage tax relief cannot possibly do, because many people who live in houses that need improvement do not pay income tax, for various reasons. But, because of cutbacks, there has been restraint. In my constituency, 6,500 people are waiting for home improvement grants. If the Government are to withdraw the concession, perhaps they will consider directing some of the £200 million that will be saved towards the home improvement grants that have been so badly cut back, and constantly interrupted because of shifts in Government policy. If the home improvement grants system worked properly, I might not object so strongly to the proposal, although I recognise that there will always be room for objection.

11.30 pm

The Government have said that the reason for the withdrawal is that, on their calculation, there has been widespread abuse. That is very odd. The Government can put a figure on the abuse and yet, it seems, cannot do anything about it. As has been said earlier, it is quite easy to check whether a home improvement has been carried out, either by seeking invoices or by sending someone round to see what work has been done. I should have thought that even the most elementary training would equip a representative of the Inland Revenue to go and see whether an extension had been built, or double glazing had been put in.

It is important to realise that if an improvement grant cannot be obtained, financing the work oneself and obtaining tax relief can be the only way of carrying out improvements. As long as we live in a country which contains many houses below the tolerable standard, and property that will constantly need improvement and maintenance, it seems premature to withdraw this tax concession. The Government are very keen on stamping out DHSS abuse. If they were serious about the problem of abuse, it would be easy to institute a proper system of inspection. I should be interested to hear what the Paymaster General has to say about that.

I said at the start that the proposal must be viewed in the context of the Budget as a whole. It is important to bear in mind that yesterday, when we discussed the business expansion scheme, we nodded through a proposal that would enable Rachman-like landlords to thrive. In the same Bill, we find that ordinary decent people are to be denied the means of improving their homes.

Mr. Butterfill: Can we make it clear that Rachman was in the business of evicting tenants, whereas the BES is intended to put tenants into new accommodation? There is no question of "Rachman-like landlords". I wish that Opposition Members could get that into their heads. *[Interruption.]*

[MR. HAROLD WALKER *in the Chair*]

Mr. Darling: It is not for me—thankfully—to maintain order in the Committee, Mr. Walker.

We are not discussing the business expansion scheme. I was making the point that we are all concerned to ensure that there are not concessions for one category of people and none for others. The BES is financing an aspect of housing that I consider thoroughly unwanted and disreputable; at the same time, it is removing a concession from ordinary decent people.

Following what has been said by the hon. Member for Bournemouth, West (Mr. Butterfill) and his hon. Friend the Member for Cannock and Burntwood (Mr. Howarth), I hope to see the odd Conservative rebel. Many people will be very upset to discover that they will receive no tax relief on home improvements. They will feel let down, and will not understand why tax breaks should be given to some while help is to be denied to others who wish to do up their houses. The Government should think again.

Mr. Tim Devlin (Stockton, South): I was not minded to intervene when I first came into the Chamber but, having listened to my hon. Friends and Opposition Members, I just want to say one or two words to explain why I will be supporting the Government in the Lobby.

I came to the House to help simplify the system of taxation and lower the burden of taxation on our people. In the Budget we are cutting the basic rate of taxation from 27p to 25p and we have made a clear commitment that it will be dropped in the future to 20p in the pound. In addition, we have made the move to abolish top rates of tax and have one sole top rate of tax at 40p in the pound. In addition, we have also raised the main tax allowances by twice——

The Chairman of Ways and Means: Order. I must remind the hon. Gentleman that the Committee has debated those matters and I hope that he will now address himself to clause 42.

Mr. Devlin: This is pertinent to clause 42 because it explains the whole rationale. If we are simplifying the taxation system and cutting the rates of tax as part of our strategy, it is wholly in order for us to look at ways in which we can get rid of tax breaks. If there is a lower burden of taxation on the individual, there is no need for taxation breaks. The point I was going to make——

Mr. Chris Smith: Will the hon. Gentleman give way?

Mr. Devlin: I did not intervene in the speech of the hon. Member for Islington, South and Finsbury (Mr. Smith). I will be brief, so if points are to be made——

Mr. Smith *rose*——

Mr. Devlin: I am not minded to allow the hon. Gentleman to intervene.

Mr. Smith *rose*——

Mr. Devlin: Very well, I will allow the hon. Gentleman to intervene.

Mr. Smith: I am grateful to the hon. Gentleman for finally giving way. He is articulating an interesting and, in some respects, praiseworthy doctrine, which is that one should remove as many anomalies and reliefs from the tax system as possible. Would he extend that argument to mortgage tax relief as a whole, which has been stoutly defended by his Prime Minister——

The Chairman: Order. If the hon. Member for Stockton, South (Mr. Devlin) were to respond to that invitation, I would rule him out of order. I hope that we can now return to the subject of home improvement loans.

Mr. Devlin: My sole point in making this short speech is to show that breaks such as tax relief for home improvements are blunted the more the rate of taxation goes down. Since it is our stated intention to lower the burden of taxation on the individual, there is absolutely no need for breaks such as home improvement loans to continue. That is our strategy. It is perfectly clear and I agree with it wholeheartedly.

The question of luxury spending has been raised. I can think back to what has happened in my constituency over the past few years. When the A66 and the A19 were constructed, all those——

The Chairman: Order. The hon. Gentleman is inviting the Committee to widen the debate way beyond the scope of clause 42. There is nothing in that clause about the A19 or any other road. I hope that we can return to home improvement loans.

Mr. Devlin: There is inherent in clause 42 the question of double glazing. The point has been raised that many people—for example, those who live in Canonbury road —should have tax relief for double glazing. Those who lived near the A66 and A19 when the roads were built were offered funding by the Government to put in double glazing. Outside of such circumstances, there is no need for the Government to provide tax relief as well.

I see no reason why we should give tax relief on home improvement loans which are often used for the purchase of motor cars, for people to go on holidays, or for home improvements in the nature of swimming pools.

Mr. Campbell-Savours: I shall intervene only briefly, as I have already spoken in the debate.

As we all know, citizens are responsible for paying tax equally, wherever they are in the United Kingdom, and they are equally treated within the law, wherever they live in this country. What worries me is that the Government are drawing a distinction between the treatment of a person in the south of England, who invariably has a mortgage in excess of £30,000—perhaps £50,000—and a person in the north of England, or in other parts of the kingdom, who might have a property worth substantially less, and a much lower mortgage.

For example, a fireman in Surrey may have a mortgage facility of £30,000, whereas a fireman in Workington may live in a house that is worth £25,000 but have a mortgage facility of only £20,000. I submit that a fireman in Workington, having paid exactly the same taxes as a fireman in London, is equally entitled to the tax concession available in these circumstances. He should not be singled out for special treatment and be told that, although he pays the same taxes, he is not entitled to the same tax concessions. Almost uniquely in that respect, the provision in the Bill is totally mistaken.

When the Treasury drew up its recommendations for this year's Budget, it might well have forgotten to consider the divisive nature of the recommendation. In parts of the United Kingdom outside the south, especially in the north of England, Wales and Scotland where property is cheaper, it is certainly in a far worse condition, particularly in the inner cities. We are locking people into property in parts of the country where values are lower and conditions are worse by insisting on a provision that prevents them from taking out an additional mortgage that has tax relief. I hope that the Minister will take that point carefully on board.

We are told in the notes on clauses that clause 42(1) provides that loans made after 6 April 1988 for home improvements will no longer qualify. However, this exclusion does not operate where the loan is for the erection of a new building which is not part of an existing residence on land which, immediately before the development, had no building upon it.

I can foresee circumstances—perhaps this is my devious mind working—where a person who wishes to build an extension can employ a builder to put up a building within, say, 6 or 9 in of the existing building, for which he would get tax relief and be within the law. After the friendly builder says, "Look, guv, you'd better get the man down from the bank to clear it so you get your relief," after the man from the bank has disappeared back to the bank, or whatever is the monitoring authority for all this nonsense, the builder will then say, "Right guv, I'll put the bricks up now and fill the cavities at each end." In effect, the extension will become part of the house. That is the way in which people will get round the provision.

Mr. Butterfill: Would the hon. Gentleman agree, being equally devious, that it might be possible for builders to devise bed-and-breakfast schemes for home owners, whereby they would buy the property and improve it, and then immediately, even within the same contract, sell it back improved, with the benefit of the whole loan qualifying for relief?

Mr. Campbell-Savours: I am glad that the hon. Gentleman intervened. He seemed to suggest that my proposition might well apply and that there would be such abuses. He drew attention to a further form of abuse, about which I do not know but which appears to be complicated in so far as there is a legal requirement. That approach may be adopted.

I have put two points to the Paymaster General. Can the right hon. Gentleman assure the Commitee that there will not be a subsidy for a construction 6 to 9 in. away from an existing building? What amendment will be made

to this provision to ensure that that does not happen? I ask also for equal treatment within the law for people who pay taxes.

11.45 pm

Mr. Kirkwood: The hon. Member for Workington (Mr. Campbell-Savours) raised the serious point of the regional discrepancies that this measure will introduce. The problem will worsen as time goes on. I do not think that the Treasury has given any thought to this aspect. If it has, I should like to hear a substantive defence to the point which the hon. Gentleman made so eloquently. This matter applies not just to the north of England but to rural areas.

The hon. Member for Islington, South and Finsbury (Mr. Smith) said that this proposal would do nothing to improve housing stock. People in England and Wales have the benefit of a statutory and regular house conditions survey, but we do not have that luxury north of the border because the Government refuse to pay for it. No one knows to what extent the housing stock in Scotland needs to be repaired, but I am certain that this measure in clause 42 will make the position substantially worse.

In constituencies such as mine, one of the most successful acts of the Conservative Government in 1983 was to give substantial improvement grants. They were extremely successful, especially in rural areas and in the private sector. The grants made a substantial difference to derelict farm cottages. The points which have been made about Wales also apply to my part of the world, where improvement grants are not sufficient to effect refurbishment of these properties and where more money is required to top up the grants. Clause 42 will bring that system to an end.

I return to the point made by the hon. Member for Cannock and Burntwood (Mr. Howarth). I am worried when young, first-time buyers purchase property for £15,000 and seek to improve it with an improvement grant of £15,000. The Government have not properly considered that matter, and I look forward to hearing the Paymaster General's comments.

We all have an interest in trying to eliminate abuses. I do not think that anyone is in favour of the stories about these grants which the popular press has been carrying in the past couple of years. The remedy, which the hon. Member for Islington, South and Finsbury has suggested, is to check abuses directly at source without abandoning the whole system.

The real abuse is the fact that the Government did not take the opportunity in the Budget to restrict mortgage tax relief to the standard rate of tax. The Government reduced the top tax rates but, if they wanted to save money and to end abuses, they would have restricted mortgage tax relief instead of making this ludicrous proposal.

Mr. Morgan: What happens if the effects of clause 42 and the business expansion scheme provisions for assistance in rented housing are combined? A young couple looking in an inner-city or coal mining area at an 1870 to 1914 property with a dodgy roof will compete against a BES-funded property consortium which, more than likely, can get tax relief at the top rate. How will that produce a simplified tax system, as the hon. Member for Stockton, South (Mr. Devlin) wants? How will it produce a level playing field for a young couple wanting to buy a house and a tax-subsidised business consortium that will obviously be able to outbid that young couple? That is the question to which we want an answer.

Dr. Marek: Not a week ago I had a letter from the Corlan Housing Association—a letter that some of my hon. Friends may also have received—saying that I will be aware of Corlan's role in providing sheltered housing for elderly people in Wales and that it has extended its services to include two "staying put" projects. The letter goes on:

> "Some of the projects' clients are eligible for a repairs or improvement grant but the majority live outside the housing priority areas and would have to wait some years. Many large repairs, therefore, are wholly privately financed by the owner-occupier taking out a maturity loan from a building society or bank. The loan is then paid back on an interest-only basis until the house is sold or the borrower dies, when the capital amount is recovered."

The association also says:

> "we feel that the new regulations regarding tax-relief on home improvements are bound to have a negative effect on the success of these projects by deterring both potential clients from taking up loans and lending institutions from offering them readily."

This is a housing association, not a private Rachmanite organisation of any kind. We shall be seeing such organisations, of course, once the business expansion scheme gets off the ground. *[Interruption.]* It is no use hon. Gentlemen saying "Jesus". They do not need to invoke the deity in this argument. It is quite wrong to do so.

Mr. Butterfill: Silly—not Jesus.

Dr. Marek: It is certainly not silly. Hon. Gentlemen will see the results and the truth that we have spoken in the years to come.

These "staying put" projects have been supported by the Welsh Office, yet now there is a danger that they will not go ahead. The letter goes on:

> "We would, therefore, suggest that exemption for those over retirement age should be actively pursued as a matter of urgency."

I think that there is a very good argument for the Government to take this clause away and say that they will think about it. We have heard the hon. Member for Bournemouth, West (Mr. Butterfill) arguing along these lines, albeit in a different way, and we have heard a very cogent argument from the hon. Member for Cannock and Burntwood (Mr. Howarth) also for the abandonment of this clause. Therefore, I hope that the Minister will consider this very carefully.

There are ways of getting round this problem. For example, one could have better compliance procedures. It is very clear that in many cases bank managers simply do not ask whether the loans have gone towards home improvements or been used for a second holiday somewhere in Spain or Italy. Alternatively, the Government could define more narrowly those improvements that would qualify for loans. There is no doubt that it could be done if the Government had the will.

Some hon. Members—in particular, the hon. Member for Stockton, South (Mr. Devlin)—actually said that some people want double glazing because they want double glazing. Why does the Conservative party think that double glazing is necessary only for someone who is near a main road or if there is a lot of aircraft noise? The point is that our housing stock is not very good compared with many European countries. There is something good about

[Dr. Marek]

having double-glazed housing. If somebody wants double glazing he ought to be able to have it and he ought to be encouraged by the Government to have it.

Mr. Devlin: I agree with the hon. Gentleman. We have put more money in the pockets of ordinary people with which to buy double glazing if they wish.

Dr. Marek: With respect, that is a facile argument. The average man in Britain has not had a lot of money put into his pocket. If the hon. Gentleman had been here throughout the debate he would have realised that it is the super rich who have a lot of money in their pockets. The average person does not have much money—certainly not enough to install double glazing in his or her house.

First-time buyers of dilapidated houses deserve a loan on which they can obtain relief in order to get on the first rung of the house-buying ladder. I always thought that that was what the Conservative party was about, but clearly I am wrong.

Mr. Brooke: In the interests of abbreviating this debate —this is the first occasion on which I have intervened—it may help the Committee if I make a brief general remark.

The removal of relief for interest paid on home improvement loans is part of the Government's general programme of reducing tax rates and removing tax reliefs which are complicated, uneven in their availability and expensive in terms of revenue or administrative costs. In future, mortgage interest relief will be concentrated on its primary aim, which is to help people buy their own homes.

I recognise that improvements which genuinely make more accommodation available for home ownership might merit some assistance but only a very small part of home improvement relief is devoted to such purposes. It is in any event only available to a borrower who has not used all his relief on house purchase. It is not true, as some of the more sensational stories have suggested, that the relief is widely used to subsidise the construction of swimming pools and tennis courts.

Mr. Campbell-Savours: The right hon. Gentleman is not living in the real world.

Mr. Brooke: I went out of my way to say that those suggestions were not true.

But the fact is that about seven out of eight of these loans are used for installations such as double glazing and central heating. I do not deny the merit of home owners improving their houses and adding to their value in this way, but I see no reason why the tax system should subsidise this particular form of consumer credit.

My hon. Friend the Member for Cannock and Burntwood (Mr. Howarth) and the hon. Member for Islington, South and Finsbury (Mr. Smith) addressed the Committee on observations made by the Building Societies Association. The Building Societies Association pressed for protection when a loan is replaced outside the borrower's control—for example, in the two circumstances of local authorities or commercial lenders closing their whole mortgage book. We think that very few will be affected: remaining local authority mortgage lending is small and much of that is almost certainly for purchase rather than improvement. Although the Building Societies Association is apparently unaware of this, we understand that the one commercial institution to which it refers has already disposed of its mortgage business, and not to a building society.

Other cases might arise, but it would be open to the lender to make special arrangements for any protected loans by, for example, simply letting them run to maturity. No doubt the BSA is correct in saying that the main motivation for replacing a loan would be to obtain a lower interest rate, but it does not follow that there would be less tax relief overall. The tax relief might well increase if the replacement loan carried extended terms or was on an endowment rather than a repayment basis. In the case of excessive interest rates of over 20 per cent. charged by some lenders, replacement current mortgage interest rates of around 10 per cent., even without tax relief, would be advantageous.

It is true that problems will arise when loans are replaced and have to be split into qualifying and non-qualifying parts. That is not a new problem. The abolition of improvement loan relief simply extends an existing problem. Increased competition in recent years has meant that lenders, including building societies, have been making loans for many purposes.

The main thrust of the considerable advertising of replacement loans is the consolidation of various loans into a replacement with a lower average interest rate. When that occurs it is relatively easy to isolate the purchase element being replaced. It would be much more difficult to establish to what extent the balance represented an improvement as opposed to, say, a car purchase element. There will be a strong incentive for borrowers to certify that the replaced loans were entirely for purchase or improvement.

As the legislation stands, and once we have disposed of the loans straddling 6 April, no loan will qualify for relief unless it is for purchase. This enables us to simplify the application forms and concentrate compliance checking on purchase loans. If, however, protection is extended to replacement loans, it means that loans made for improvements will qualify for relief if they replace pre-6 April loans. This will add to the compliance checking burden and policing will be difficult.

12 midnight

I agree that there is some merit in extending relief to replacement loans where the borrower has no control over the replacement. However, it would be difficult to confine legislation to this very small class. Extending protection to all replacement loans will give scope for avoidance, add to the administrative burden, and prolong the preferential tax treatment for existing compared with new borrowers.

Mr. Gerald Howarth: Will my right hon. Friend address himself to the point that the secondary mortgage market is growing? He has referred to one organisation which is engaged in the market. According to the BSA bulletin of July last year, there are no fewer than five organisations, all backed by major city institutions, engaged in the market. I am not sure that they represent a small number of people. Certainly the potential is there for a large number of people to be involved.

Mr. Brooke: I am grateful to my hon. Friend for his further intervention.

The argument advanced by the building societies is that the abolition of relief for improvement loans is particularly harsh on poorer people purchasing rundown properties.

They suggest that relief should be allowed when loans are applied to repairs or improvements undertaken within 12 months of purchase. But this proposal amounts to a continuation of the present system with a 12-month time limit. Relief would continue provided the work was carried out within one year of purchase. This point was made by the hon. Member for Islington, South and Finsbury.

The same distribution of improvement work, with a heavy concentration on items such as double glazing, would probably prevail. If, however, an attempt were made to restrict relief to deserving improvements to dilapidated houses, considerable compliance and policing problems would arise. There would be a large grey area in determining a deserving improvement and the time limit would create a further inequity. Why should the person who can raise finance within a year of purchase get relief when a perhaps poorer person, who has to wait longer, is denied? Derelict housing is in any event often restored by a builder or developer who sells the improved property. The new owner can then obtain relief on a purchase loan.

In the case of council house purchases under the right-to-buy scheme substantial discounts of up to 60 per cent. are available. The 12-month period allowed for the occupation of a newly purchased property simply permits the purchaser to obtain mortgage interest relief if his move is, for example, delayed because of difficulty in selling his existing house. Therefore, it is not relevant as a precedent for a 12-month limit on improvement relief.

Mr. Battle: The view which the Minister has just expressed runs counter to the view of the National Home Improvement Council. I recall that on 17 March, a few days after the Budget, that council was addressed at a luncheon by the Minister for Housing and Planning. He was pressed on the matter and was asked to take back to the Treasury the view of the council that the proposals would not improve the housing stock. Certainly I was under the impression, as many people there were, that the Minister for Housing and Planning would have discussions with the Treasury on the matter. Can the Minister tell the Committee the outcome of the discussions between the Treasury and the Department of the Environment?

Mr. Brooke: I share with the Committee the point that it is not common custom to reveal conversations that may be going on within the Government. I am grateful to the hon. Gentleman for giving me the opportunity to say that.

On secondary effects, first, it is suggested that tighter compliance checking of improvement loans has reduced VAT evasion—although no evidence is produced. Even if true, it is a strange argument to propose that income tax relief should be given so as to increase VAT compliance.

Secondly, it is claimed that improvement loan relief has not been abolished, but merely deferred, because a buyer of an improved house will qualify for relief on a purchase loan. But abolition ensures that the same improvement does not qualify for relief twice. Before abolition, the improver obtained relief for the improvement loan and then sold the improved property. The purchaser then obtained relief on a purchase loan covering the improved property. In future, relief will arise only on the purchase transaction. By denying relief to the improver there will be a genuine reduction in the cost of mortgage interest relief.

Thirdly, it is suggested that people will borrow more initially on purchase if they know that they cannot get the relief later in improvement loans. We doubt that. Most people will in any case borrow as much as they can afford from the beginning, at least up to the ceiling on tax relief.

The hon. Member for Edinburgh, Central (Mr. Darling) raised matters concerning abuse. The Inland Revenue has concentrated compliance checking on the higher risk, higher value loans, and has been making detailed investigations into a random sample of such cases. We estimate that about 1·5 million new home improvement loans are currently being taken out each year. To require and check the evidence that improvement work has been carried out in every case, as various hon. Members have suggested, would be a formidable administrative task. There is, too, the practical problem that most improvement loans are of necessity taken out before the work is carried out. Interest becomes payable immediately and tax relief is often allowed at source through the MIRAS system. If relief were not allowed until the work had been carried out, and the evidence supplied and checked, it would then have to be allowed retrospectively by the tax offices, which would add a further administrative cost and mean a bureaucratic paper chase.

Mr. Darling: Is the right hon. Gentleman saying that there have been significant cases of abuse? If so, what has been done about them? Or is he saying that he thinks there might be a problem, so the whole thing must go? Will he not hammer anyone else merely because of the odd case of abuse that there may be?

Mr. Brooke: The hon. Member for Islington, South and Finsbury acknowledged that abuse was running at 20 per cent. by the Inland Revenue account, which he described as a relatively low level. He did not quote the amount of money involved, which is £100 million. If our positions were reversed, I do not believe that Opposition spokesmen would seek to cover up an abuse of £100 million. The order of magnitude of the problem emerged after the Public Accounts Committee report.

Mr. Butterfill: To the extent that there might be abuse, would my right hon. Friend comment on the suggestion made by the Institute of Chartered Accountants of Scotland that independent checking could be done at the expense of the borrower? Would it not be possible retrospectively to disallow relief and to include a penalty if abuse were discovered?

Mr. Brooke: I am grateful to my hon. Friend.

I shall conclude the discussion about abuse. The hon. Member for Workington (Mr. Campbell-Savours) raised a point about the tax system applying throughout the United Kingdom. If I may give him an observation from a southern constituency, a borrower who is forced to pay £30,000 in a high-cost area in the south-east of England for purchasing purposes is then denied any opportunity of mortgage interest relief for an improvement loan under the existing system.

The hon. Member for Workington went on to ask me a question about an empty plot. Only a completely empty plot, plus a new building, qualifies. So a separate second building, such as the hon. Gentleman envisaged, would not qualify. I can recall Customs and Excise taking a similar interest, for policing purposes, in such cases, in the context of VAT.

Mr. Campbell-Savours: The right hon. Gentleman has not answered the first proposition that I put to him, and that many in the north of England will want him to answer. We pay the same taxes in the north as people do in the south. Why should we not have an equal right to the full £30,000 facility? As, due to the arrangement of property prices in the United Kingdom, people in the south are more inclined to take up their tax allowance in full, why can we not have an equal advantage?

Mr. Brooke: The hon. Gentleman answered that question himself, when he stated that the tax system applies throughout the United Kingdom. There is a particular level of relief and that applies everywhere.

The hon. Member for Wrexham (Dr. Marek) spoke about "care and repair" mortgages. These are usually for small amounts and to poorer people, for houses probably worth no more than £15,000. The National Federation of Housing Associations does not specify an income limit for qualification. It rightly explains that there are more attractive schemes for richer people with more valuable properties. However, these mortgages would rapidly gain wider appeal if they qualified for tax relief. Operating an income limit would be administratively difficult, as income is usually not known until after the end of the year, whereas interest relief under MIRAS is given by deduction at source at the time of payment. At present mortgage interest rates, the tax relief on a £2,000 mortgage is worth about £50 a year, or £1 a week. Without underestimating the value to a poor person, that seems a peculiarly cumbersome way to provide such a small improvement subsidy. A more sensible approach, involving the better targeting of improvement grants to those most in need, is outlined in the consultation paper "Home Improvement Policy" published by the Department of the Environment on 5 November last year.

Dr. Marek: Surely the targeting is already there, because wealthy people would not live in small houses costing £15,000.

Mr. Brooke: The hon. Gentleman knows that if a similar abuse were found under other circumstances he would be the first to point it out.

As to abuse, the steps taken last year to tighten compliance checking will continue for the substantial number of improvement loans taken out before April, for which relief is continuing. For the future, it will be concentrated on its primary aim of helping people to buy their own homes. The removal of this relief, which, to a large extent, simply subsidises consumer credit, is in line with our general policy of reducing tax rates, broadening the tax base, and simplifying the tax system, and I ask my hon. Friends to support the clause.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 153, Noes 65.

Division No. 296] **[12.12 am**

AYES

Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Tom *(Hazel Grove)*
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baldry, Tony
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bevan, David Gilroy
Biffen, Rt Hon John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Boswell, Tim
Bowden, A *(Brighton K'pto'n)*
Bowis, John
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carrington, Matthew
Carttiss, Michael
Chapman, Sydney
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Couchman, James
Cran, James
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dorrell, Stephen
Dover, Den
Dunn, Bob
Fallon, Michael
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Freeman, Roger
French, Douglas
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodson-Wickes, Dr Charles
Gow, Ian
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Ground, Patrick
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Hawkins, Christopher
Hayes, Jerry
Hayward, Robert
Heseltine, Rt Hon Michael
Hind, Kenneth
Howarth, G. *(Cannock & B'wd)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Irvine, Michael
Jack, Michael
Janman, Tim
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
Macfarlane, Sir Neil
Maclean, David
McLoughlin, Patrick
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Maxwell-Hyslop, Robin
Miller, Hal
Mills, Iain
Mitchell, David *(Hants NW)*
Montgomery, Sir Fergus
Morrison, Hon Sir Charles
Moss, Malcolm
Moynihan, Hon Colin
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, John *(Oxford W)*
Porter, David *(Waveney)*
Raffan, Keith
Redwood, John
Rhodes James, Robert
Ridley, Rt Hon Nicholas
Roberts, Wyn *(Conwy)*
Ryder, Richard
Sainsbury, Hon Tim
Sayeed, Jonathan
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Spicer, Sir Jim *(Dorset W)*
Squire, Robin
Stern, Michael
Taylor, Ian *(Esher)*
Thorne, Neil
Thurnham, Peter
Twinn, Dr Ian
Waddington, Rt Hon David
Widdecombe, Ann

Tellers for the Ayes:
Mr. Tony Durant and
Mr. David Lightbown.

NOES

Abbott, Ms Diane
Ashdown, Paddy
Barnes, Harry *(Derbyshire NE)*
Battle, John
Beith, A. J.
Bradley, Keith
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Bruce, Malcolm *(Gordon)*
Buckley, George J.
Campbell, Menzies *(Fife NE)*
Campbell-Savours, D. N.
Carlile, Alex *(Mont'g)*
Cryer, Bob
Cunliffe, Lawrence
Darling, Alistair
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*

Dewar, Donald
Dixon, Don
Evans, John *(St Helens N)*
Foster, Derek
Fraser, John
Galbraith, Sam
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Home Robertson, John
Howarth, George *(Knowsley N)*
Hughes, Sean *(Knowsley S)*
Ingram, Adam
Jones, Ieuan *(Ynys Môn)*
Kirkwood, Archy
Lewis, Terry
Livsey, Richard
Lloyd, Tony *(Stretford)*
McAvoy, Thomas
McFall, John
McKay, Allen *(Barnsley West)*
McLeish, Henry
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Maxton, John
Meale, Alan
Michael, Alun
Mitchell, Austin *(G't Grimsby)*
Morgan, Rhodri
Nellist, Dave
Parry, Robert
Pike, Peter L.
Prescott, John
Quin, Ms Joyce
Salmond, Alex
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Soley, Clive
Taylor, Matthew *(Truro)*
Turner, Dennis
Wallace, James
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Wigley, Dafydd
Wise, Mrs Audrey

Tellers for the Noes:
Mr. Frank Haynes and
Mrs. Llin Golding.

Question accordingly agreed to.

Clause ordered to stand part of the Bill.

Bill (Clauses 22, 23, 26 to 28, 31, 42, 49, 91, 98, 127 and 128 and schedule 7) reported, without amendment; to lie upon the Table.

Misleading Advertisements (Control)

12.23 am

The Parliamentary Under-Secretary of State for Industry and Consumer Affairs (Mr. John Butcher): I beg to move,

That the draft Control of Misleading Advertisements Regulations 1988, which were laid before this House on 23rd March, be approved.

If approved, the proposed regulations would implement the Council directive 84/450/EEC, relating to the approximation of the laws, regulations and administrative provisions of the member states concerning misleading advertising.

The directive has its origins in the preliminary programme for consumer protection adopted by the Council of Ministers in 1975. Technically, it is a harmonisation directive. In proposing it to the Council, the Commission argued that the differences between member states' laws on misleading advertising impede the free flow of goods by restricting international advertising campaigns and making it difficult to adopt a uniform marketing strategy.

The first draft of the directive required member states to enable complainants to approach a court to have a misleading advertisement prohibited. On the recommendation of the European Parliament, that was amended so that the appropriate powers and duties could be conferred on either the court or an administrative authority.

Against that background, the previous Government set up a working party, the Burgh committee, comprising the principal interests involved, to consider how the self-regulatory system of advertising control, administered by the Advertising Standards Authority, should be reinforced by legislation. The incoming Government in 1979 felt that the working party should first consider whether reinforcement of the self-regulatory system was necessary. Although we felt that the system generally worked well, the working party suggested that the Director General of Fair Trading could usefully be given a power to apply to the High Court for an injunction in those cases where the self-regulatory system had failed to prevent the publication of a misleading advertisement.

Subsequent negotiations on the directive enabled the United Kingdom to achieve two very important changes which allow us to implement it along the lines of the working party's recommendation. First, if a member state chooses to provide for complainants to have access to an administrative authority, that authority may be empowered either to decide on complaints itself, or to apply to the court for an order prohibiting a misleading advertisement. Secondly, the directive now enables us to give administrative authorities powers to require complainants to have prior recourse to other established means of dealing with complaints, including self-regulatory systems.

In the most general terms, the directive requires member states to ensure that they have adequate and effective means for the control of misleading advertising, to protect consumers, other businesses and the general public. In particular, those means of control must include measures for the legal prohibition of misleading advertisements.

[Mr. John Butcher]

The directive defines both "advertising" and "misleading advertising" very widely and that is reflected in the definitions in regulation 2 of the draft regulations. The draft regulations do not, incidentally, reproduce article 3 of the directive which sets out an illustrative list of examples of information that should be taken into account in determining whether advertising is misleading. In our view, the list is unnecessary. We consider that it does not add anything and, in practice, may even serve to narrow the interpretation of misleading advertising in the United Kingdom to a degree not intended by the directive. The definition of "advertisement" would extend to oral representations and leaflets, but an advertisement would be misleading only if, by its deceptive nature, it was likely to affect consumer behaviour or to injure a competitor of the advertiser. To be misleading, an advertisement would not need to have actually affected any consumer or competitor. It would be enough that the advertisement was likely to have such an effect.

Member states are required by the directive to provide arrangements enabling any person or organisation regarded under national law as having a legitimate interest in prohibiting misleading advertising to initiate legal proceedings against such advertising or to bring it before an administrative authority. An administrative authority must be competent either to decide on complaints or to initiate appropriate legal proceedings. The Government propose to entrust this competence to three named administrative authorities.

The principal authority would be the Director General of Fair Trading. Regulation 4(1) would put him under a duty to consider complaints, and regulation 5(1) would empower him, if he thought it appropriate, to apply to the High Court or, in Scotland, the Court of Session for an injunction or an interdict.

The duty to consider complaints would be subject to two qualifications. The director would not be required to consider a complaint if he considered it frivolous or vexatious. More importantly, he would be able to require complainants to satisfy him that they had exhausted the established means of dealing with complaints. In effect, this would be a discretion to refer complainants to other bodies. The main bodies would be the Advertising Standards Authority and the trading standards department of local authorities. He would, however, be able to refer complainants to other bodies as appropriate in relation to particular complaints.

The House will no doubt be familiar with the self-regulatory system of advertising control which is administered by the Advertising Standards Authority. The Government believe that self-regulation has, by and large, served the public well and have no wish to diminish its importance—hence the proposed power of the director to require prior recourse to established means. Regulation 4(4)(b) would require him to have regard to the desirability of encouraging the self-regulatory system.

The other principal established means would be the trading standards departments of local authorities. Their activities stem mainly from their enforcement functions under the Trade Descriptions Act 1968 and other consumer protection legislation. Although the legislation which they enforce provides for criminal penalties for non-compliance, trading standards departments resolve most cases with the advertisers concerned.

I think that it is important that these regulations should not undermine the valuable work done already by trading standards departments. I believe that they, and the ASA, will be able to point to the director's new powers to encourage advertisers to co-operate voluntarily and withdraw or amend any offending advertisement.

I should mention that there are several other bodies operating to control misleading advertisements in particular sectors of the market that the director would no doubt wish to refer complainants to in appropriate cases. They are, for example, the Department of Health and Social Security for pharmaceutical products, the Building Societies Commission for advertising by building societies, and the Bank of England for banking services. The director would have a wide discretion to refer complainants to such bodies as he thought fit.

To enable him to fulfil his functions, regulation 7 would give the director a power to require information to be supplied to him, in particular to ascertain whether factual statements in an advertisement were true. Failure to comply with a notice from the director requesting information could be followed by an order from the court on the application of the director requiring the default to be made good. This power is necessary for those cases where the evidence as to whether an advertisement is misleading is uniquely in the possession of the advertiser. To be able to act swiftly and effectively, in the interests both of consumers and of rival advertisers, the director needs a power to obtain this information.

Mr. John Fraser (Norwood): Is it intended that the power should be exercised before the director general applies for an injunction or during the injunction proceedings? It would seem sensible to get the information before applying for the injunction.

Mr. Butcher: The agency would normally be the first body that the director general would expect to have an investigation made. If the agency did not feel that it could secure the information it required, under standard practice, it would go via the director to the High Court —if that long-stop power were required—to obtain the information. I hope that that helps the hon. Gentleman. If he will allow me to continue, he may find that there is further clarification later in my speech.

In the case of broadcast advertising, and advertising transmitted by a licensed cable service, the administrative authorities would be the Independent Broadcasting Authority and the Cable Authority, respectively. Both are already empowered to decide on complaints. The IBA may, if it considers an advertisement misleading, refuse to broadcast it, and the Cable Authority may, under section 15(1) of the Cable and Broadcasting Act 1984, issue a cable operator with a direction not to transmit an advertisement. In the event of a cable operator failing to comply with such a direction, the Cable Authority already has the power to apply to the court for an injunction or to revoke the cable operator's licence.

Under the draft regulations, both authorities would be able to consider a factual claim in an advertisement to be inaccurate if the person responsible for the advertisement failed to substantiate the claim when asked to do so by the

authority. The relevant provisions are, in relation to broadcast advertising, draft regulations 8 and 9, and, in relation to cable advertising, draft regulations 10 and 11.

In implementing the directive we propose to allocate responsibilities between administrative authorities primarily on the basis of the medium carrying the advertisement. However, there would be one sectoral division. *Investment business advertisements issued by or* on behalf of a person authorised under the financial Services Act 1986 or the appointed representative of such a person would be excluded from those regulations. Implementation of the directive in that sector would be achieved by the provisions of that Act, and the administrative authority would be the Secretary of State or any person to whom he has transferred relevant functions under the Act. In practice, that would mean the Securities and Investments Board.

The SIB has issued rules governing the conduct of business by authorised persons, which include prohibitions on those types of advertising practice which the directive seeks to prevent. Some authorised persons will operate under the rules of self-regulating organisations or recognised professional bodies, themselves recognised by the SIB. SROs and RPBs are required to have rules providing investors with protection at least equivalent to that provided by the SIB's own rules. The SIB has power to apply to the court for an injunction restraining an authorised person from a breach of the SIB's rules or, in certain circumstances, those of an SRO or an RPB. Both the SIB and the Secretary of State have power to apply for an injunction restraining an authorised person from a breach of certain provisions of the Act itself, including its provisions as to advertising.

Therefore, regulation 3 would provide for the exclusion of investment advertisements issued by authorised persons and their appointed representatives. However, advertisements issued by persons exempt from the requirement for authorisation under the Financial Services Act would fall within the scope of the draft regulations. Regulation 3 would also exclude listing particulars and associated advertisements. The Government's view is that the directive does not apply in this area, as there is a set of specific directives which regulate these matters.

These regulations, if approved, would be a valuable addition to our already extensive regime of protection against misleading advertisements. Moreover, they would achieve that in a way that created no new criminal offences for traders; did not impose burdens on business; did not undermine the established means; imposed a negligible cost on the public purse; and afforded responsible businesses protection against unscrupulous competitors. In short, this measure is good news for both consumers and business. I commend it to all quarters of the House.

12.37 am

Mr. Austin Mitchell (Great Grimsby): It is clear from the Minister's somewhat laboured explanation that we are dealing with a ramshackle structure. I am sure he did not wish to be misleading, but he succeeded in being confusing. It is not clear that this measure will operate in the simple and straightforward fashion that we want in controlling misleading advertising.

We welcome anything that will control, check and stop misleading advertising, and it is right that we should do so. We welcome such measures even more when they provide us with the interesting spectacle of a Minister from the DTI criticising misleading advertising. It is interesting to watch the Minister walking the fine line between his attachment to market forces and the need, forced upon him by Europe, to introduce some form of regulation.

We have two basic points of criticism. The first and most straightforward point is simply that the process of developing the regulations has taken far too long. This is the gestation period not of one elephant, but of a dozen elephants. Moreover, the way in which the regulations have been produced reflects no credit on the EEC. We do not expect otherwise. The EEC is used to producing—and is there to produce—such Euro-farces. But it reflects no credit on the Government either. The Government have dragged themselves slugfooted, clumsily, reluctantly, hesitantly and pedantically to the regulations. I should have added "belatedly" to that list.

At the end of that elephantine gestation period, we are left with a "ridiculus mus"—an allusion for the classically educated hon. Members on the Conservative Benches, who do not play much part in the Conservative party; they, I imagine, are nocturnal advertising men—which has been born deformed and hybrid, rather than high-bred. It is neither self-regulation nor proper, effective regulation. It is an uneasy compromise between the two, which really does not do enough to regulate the deficiencies in the existing system.

The European side of the story is quite straightforward. It is an early venture by the EEC into consumer protection, which is welcome as a departure from its usual role of producer protection—particularly in regard to producers of useful things such as dairy products. Its origins date back to 1975. The directive was first published in 1978, without proper consultation or any recognition of the way in which we do things in this country. Since then, the advertising industry has clearly had a long struggle to draw the teeth of the original proposals of 1975 to 1978.

The Advertising Association says:

> "A ten-year drafting process is not only wasteful in terms of money and time, but does little to improve attitudes to the Commission held either by industry or by anybody else. Worse, it puts an unacceptable strain on the essential partnership between consumers and industry."

It has not been the most enjoyable experience for the association. But that was only the beginning. After the European side, we hear the British side of this story of blunders.

The directive was finally adopted in a changed form in 1984, and the member states were supposed to comply with it by 1986. In 1988, we are finally making the appropriate provisions. I am not trying to argue that our control of misleading advertising is the best in the world. I would be suspicious of any such claim. Basically, it consists of the Trade Descriptions Act 1968, which makes it an offence to publish false and misleading statements. But even that needs updating to conform with modern conditions.

I understand that the Trade Descriptions Act does not cover property, and therefore does not cover the misleading advertisements put out by estate agents. Some of them are so lyrical and devious that they are worthy of Conservative Central Office. I see that the Estate Agents Act 1979 is brought into the regulations. Are we now to assume that misleading advertising by estate agents—

[Mr. Austin Mitchell]

concerning the major purchase in people's lives—is now effectively controlled in a way that it was not controlled by the Trade Descriptions Act?

That is the first of our frameworks. The second relates to the powers of the IBA and the Cable Authority, which, on the whole, work reasonably well—except, in my view, when it comes to children's advertising, which can be totally misleading. My own kids set up a clamour for a toy which looks so effective, so lifelike, so exciting. When it is obtained, it certainly does not work in the way advertised on television.

Thirdly, there is the self-regulation of the Advertising Standards Authority. On the whole, I support self-regulation, and it works reasonably well. However, it is not perfect. It is important for us to keep up the pressure on the self-regulators because it can be a cosy conspiracy of industry managing itself. We should keep up the pressure to improve self-regulation, tighten the discipline and make it more effective. That is a power that we should exercise. It is right to be suspicious of self-regulation.

Self-regulation as it exists does not have effective teeth. There are areas that leave a lot to be desired, such as small advertisements, quack medicine advertisements, even loan advertisements. The Minister mentioned the financial services legislation. That covers investment advertising, but does it also cover the sort of loan advertising we see, particularly in the Sunday newspapers, where people are invited to pay less by paying more or to reduce their burdens to one monthly cheque, often at an exhorbitant rate of interest? That legislation certainly applies to investment advertising, but does it apply to loan advertising and will it be covered by the regulations?

A further point of clarification about the Advertising Standards Authority is that it needs some sort of statutory back-up. It needs some sort of machinery—perhaps a reserve power—to strengthen it. Our view is not invalidated by the fact that the European Commission agrres with it. Bad authorities do not necessarily make bad arguments. The Commission wanted a statutory reserve power. The interesting spectacle of the past four years has been to see the Government wriggling to fulfil their obligations to the Committion without upsetting their advertising friends and disturbing too much their own penchant for self-regulation, which extends everywhere except putting the burglars in charge of crime prevention.

We have had the spectacle of the Government wriggling in that fashion for a long time. Indeed, it began in 1980 when the Department of Trade and Industry working party recommended new powers for the Director General of Fair Trading as a back-up to the Advertising Standards Authority.

In 1984 the Government slugfootedly proposed that they should have power to seek court orders prohibiting the publication of misleading advertisements. In 1985 we had a consultative paper which made that proposal and which also said that there should be no direct access to the courts for individuals or organisations. It said that everything had to be channelled through the Director General of Fair Trading. The Government's arguments in that consultative paper are a criticism of the delays and inadequacies of the courts of law in this country.

In 1986, which was getting near the deadline appointed by the Commission, we finally had draft regulations. They reduced even more the powers given to the Office of Fair Trading by requiring that office to pay due regard to the desirability of encouraging voluntary control. Effectively, what was being said was, "Here is a power; do not use it."

That was followed by the next draft regulations in February 1987. The deadline had passed and Britain was behind. That draft dropped the proposed powers for the IBA and the Cable Authority to require information from advertisers.

Finally, there was a draft in February 1988. That draft, even at the end of that long, awkward, clumsy and stumbling process, fell foul of the Joint Committee on Statutory Instruments. It was felt that the powers to require information from advertisers might be ultra vires in the sense that they were not required in the initial directive. The Committee went on to note that the regulations omit the provisions of article 3 of the directive, specifying matters relevant for determining whether advertising is misleading.

The Government did not want those requirements in their regulations. I can see why, given the nature of much of the Government's advertising. The directive proposes that an advertisement is misleading if it deceives in any way, including its presentation. That suggests that a lot of Government advertising, such as the advertising in Scotland on the poll tax, which my hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) has, would fall foul of it. It would be very difficult to justify it in terms of that rubric. At the end of the process, we end up with the regulations that we are debating tonight. It is a sad saga.

Mr. Bob Cryer (Bradford, South): Does my hon. Friend not think it curious that, although the Joint Committee on Statutory Instruments published its comments in its 21st report, which was available at the end of March, the Minister did not reply to the vires point, the fact that the regulations cover only part of the directive, and also that the statutory instrument refers to implementing the whole directive? That is another example of misleading. The omission of advertising from the Minister's speech is curious. He made no reply to the Committee's recommendations.

Mr. Mitchell: I agree absolutely. The Joint Committee has thrown the Minister an embarrassing hot potato. He did not know what to do with the report. The Government thought they would allow time to lapse and forget about it, so that they could gloss over it. The Joint Committee was right to make those points, and the Minister was wrong not to take them up in his speech. He will still have to deal with them when he replies to the debate.

That is the end of a process during which, the Advertising Association tells us, it has done all the work, rather than the Department of Trade and Industry, and has made the running throughout the past decade. The association says:

> "The Advertising Association spearheaded an industry working party which was in close liaison with the Department of Trade and Industry at every stage of the directive's development. This working party included representatives of the advertisers, the advertising agencies, the television companies, the ASA, the IBA, the Cable Authority, the CBI and every vested interest under the sun.

This is a Government of vested interests. We represent the consumer in this matter. The DTI has given full and

free rein to every vested interest under the sun. That is why it has all taken so long. We are now at the end of a long and painful process.

The Government are one of the major vested interests in this whole process. It is difficult for the Government to regulate misleading advertising properly and effectively when they do so much misleading advertising. The television campaign on "Job Start" has become a shabby way of shaking people off the unemployment register and is advertised as a dynamic new beginning.

The misleading advertising on the poll tax in Scotland falls foul of the rubric. Misleading advertising from the Department of Trade and Industry tells us about the enterprise initiativ—"Take it"—as if the Department was doing more for industry, when it is doing less than any of its European competitors and less than industry needs. It is handing over its work to consultancies with the aid of a gigantic consultancy "slush fund" that is being promoted by the DTI's own misleading advertising.

It is clear that the Government do not want the machinery to have effective teeth, because those teeth will probably end up in the backside of Lord Young of Graffham-Saatchi-Thompson as the most misleading advertiser in this country. We want a Government of advertisers for advertisers by advertisers who do not want effective regulation.

The Opposition will not oppose the regulations, but we certainly will not rejoice at an achievement that is inadequate and has taken so long and been so clumsy. It has taken eight years for us and 13 years for the European side. We will not indulge in any hymn of praise; we shall just have a quiet laugh. It will provide the Minister with a good plt for his next rock opera—one that he can advertise, even under the terms of these regulations, as combining the charm of the right hon. Member for Chingford (Mr. Tebbit), the compassion of the right hon. Member for Finchley (Mrs. Thatcher) and the lewd bawdiness of the right hon. Member for Suffolk, Coastal (Mr. Gummer), and get away with it.

12.55 am

Mr. Bob Cryer (Bradford, South): I must point out, yet again, that the Minister did not make any reference to the 21st report of the Joint Committee on Statutory Instruments. I should have thought that, in a debate on the Floor of the House, the Joint Committee's efforts deserved some sort of reply other than the memorandums from the Department of Trade and Industry which are printed in the report.

On regulation 7, the Committee said that the power to require any person to furnish to the Director General of Fair Trading such information as may be specified or described was not contained in the EEC directive. There was no specific provision for that power, so we asked the Department of Trade and Industry for a memorandum. The Department said that, in effect, although there was no direct provision, it was necessary to have the power to implement the directive. Since the Department thought that that was a reasonable point of view, it decided to use those powers.

That is not the basis of legislation. If the Department happens to think when looking at subordinate legislation that the powers should exist, but they do not exist in primary legislation, it is not incumbent upon that Department to assume that those powers exist and put them forward. On page 3 of our report, we said:

> "In the Committee's view, these arguments, however cogent they may be on the question of the expediency of including Regulation 7, do not answer the question whether in the circumstances there is power under s.2 of the 1972 Act to do so"—

that is, the European Communities Act 1972. The Department does not have power to provide regulation 7 of the statutory instrument; therefore, we reported on the ground that there was a doubt about the vires.

As my hon. Friend the Member for Great Grimsby (Mr. Mitchell) pointed out, the regulations omit article 3 of the directive, which sets out a definition of "misleading" and includes a number of illustrations of what "misleading" might constitute. That practice is precedented in other primary legislation. The explanatory note to the regulations suggests that they depend on the implementation of the whole directive. The explanatory note says:

> "These Regulations implement Council Directive No. 84/450/EEC . . . relating to misleading advertising."

The explanatory note should have said that the regulations implemented parts of that Council directive. That would have been a more honest and accurate account. As the Minister knows full well, these regulations have the full power of law and, in that, there are sanctions to apply the law and the user should have legislation that is as clear and free from ambiguity as possible. An explanatory note that states that the whole of the directive is being implemented is misleading when, on the admission of the Department, certain aspects of the directive are omitted. It does not give much confidence that the terms of the directive will be implemented with enthusiasm by the Minister when his own regulations appear to be misleading at the outset.

I hope that at the conclusion of this short debate the Minister will turn his mind to the conclusion of the Joint Committee, which is not a very powerful body, although it is set up by the House of Commons to weed out the discrepancies and ambiguities in delegated legislation, because delegated legislation has the same force of law as primary legislation. I remind the Minister that the Committee has a majority not of Opposition Members but of Government Members. Yet the Committee has made these points and it seems to me that it is incumbent on the Minister, in accounting for his actions to the House, to give a full explanation of the omissions and deficiencies that have been drawn to his attention in our 21st report.

1 am

Mr. John Fraser (Norwood): My hon. Friend the Member for Great Grimsby (Mr. Mitchell) welcomed the regulations, although he made it quite clear that if they had been prepared by a Labour Government they would have been more severe and more extensive. For many years hon. Members on both sides of the House have wanted to do something about the statutory back-up to the powers of the Advertising Standards Authority. I was certainly engaged as Minister of State for Consumer Protection up to 1979 in trying to introduce something along the lines of the regulations which are before us tonight.

The paradox is that, if we had wanted to legislate and there had not been the European directive, it would not have been possible to have something before us tonight in the form of regulations which could be concluded in an

[Mr. John Fraser]

hour and a half. We would have needed primary legislation, which would have had a Second Reading and no doubt occupied at least half a day in the House and several days in Committee. I am not saying that that is necessarily a good way of going about these things, and the lesson for future legislation, particularly on consumer protection and matters of regulation, whether involving companies or trading standards, is tht there is a very strong case for stating principles in legislation and giving the House an opportunity with the European Communities Act to pass legislation which is long overdue without having to rely upon the legal basis of a directive from Europe. So I think that in drafting future legislation on consumer matters, advertisement, and so on, that is necessary.

These regulations have been far too long in coming before the House. The last Labour Government negotiated with the advertising business. I found its members extremely professional, very quick and very co-operative, and it would have been possible by 1979, or certainly by 1980, had it not been for delays in Europe, to present something along these lines, given adequate parliamentary time. That is the great advantage of having regulations rather than an Act of Parliament.

It has taken altogether, as the Minister made quite clear, about 13 years from conception to execution to get a statutory back-up to the Advertising Standards Authority. That is far too long and in future we want to see a bit more speed. For instance, there has been on the stocks for a very long time a directive about doorstep sales, which is one of the most blatant forms of consumer abuse. Goods are sold on the doorstep to vulnerable people who do not have the chance of obtaining independent advice. That directive ought to be implemented as rapidly as possible.

Is Lord Young of Graffham to be the first to receive an injunction under the present regulations, because he goes on television, spending the advertising slush fund, telling us that we will have a single integrated market by 1992. Hon. Gentlemen may say that I have gone over the top, but we have had a modest regulation on which there has been almost total agreement between the industry, the Labour, Conservative and Liberal parties and everybody else as far as I know and on which there has been unanimity for 13 years, including the virtual unanimity in Europe, and it has taken 13 years, on a matter which is uncontested an which comes before the House at 1o'clock in the morning, to put it into practice. Shall we really have a single integrated European market by 1992 on matters which will be highly controversial? I should have thought that one of the first persons to suffer what I think is called an interdict in Scotland and an injunction in England would be Lord Young of Graffham.

My second question concerns a technical matter. Is it intended that there should be a power to obtain ex parte injunctions under the tax regulations? If the order obtained by the Director General of Fair Trading in the courts is the last resort, and if people are expected to explore other avenues first, I should have thought that the ex parte injunction was inappropriate. I hope that the Minister will say something about that.

Thirdly, I should like the Minister to say whether the regulations broaden the control over misleading information beyond the statutes that give rise to present liability for breach of regulations under the Consumer Credit Act 1974 or obligations under the Trade Descriptions Act 1972. I am thinking, for instance, of the misleading advertising by people such as Allied Carpets, Queensway Discount Warehouses, or MFI before it merged with another firm. There are two institutions in Britain which have continuous sales. One is Her Majesty's Government and the other is the discount warehouse—Allied Carpets, Queensway Discount Warehouses and so on. The prices advertised at such discount stores are those at one of their stores in a remote part of the country, and clearly that is misleading to consumers.

I hope that the Minister will say that there will be discussions with the Director General of Fair Trading and the Advertising Standards Authority to widen the scope of the code of practice because criminal sanctions have proved peculiarly inadequate in such cases of misleading price claims, irrespective of the Consumer Protection Act, and whether those regulations willthen be available to prevent the kind of abuse of consumer information that has been commonplace for far too long among discout warehouses.

1.6 am

Mr. Matthew Taylor (Truro): I must make it clear that, committed as we are to the extension of consumer rights, Democrats welcome the regulations and their effect in reining in misleading advertisers. It is a pity that the regulations have been so long in gestation, but they are, nevertheless, a necessary and important addition to the present self-regulatory powers.

No one should doubt the value of the changes to ordinary men and women. The regulations introduce a legal backdrop that begins to give some teeth to the current system where that is necessary, in particular, where quick action is needed.

Nevertheless, there remain several outstanding concerns, some of which have been aired tonight and more of which should be aired. The first is that protection is needed not only against advertisements that are misleading—that is the limit of the regulations—but, for example, against the 12 per cent. of cases referred to the ASA in 1986 which concerned adverts thought to be distasteful, indecent or in some other way offensive. Of those, more than one in three alleged that adverts were distasteful because of their depiction of women.

Indeed, one of my constituents complained to me of the junk posted through her door by a tabloid newspaper advertising and illustrating pornographic videos and magazines—material that went first into the hands of her children. The present advertising code looks at whether a majority would react, or whether a minority finds advertisements grossly offensive, but it can take precious little account of whether material will reach the hands of minors, as in my constituent's case, or of the offensive treatment of women.

If women are viewed primarily as sex objects, there is not a great deal that the ASA can do. We still find near-naked women used to sell car parts, or what have you, in the press. The cinema, I regret to say, goes further. Atmospheric scenes evocative of rape are not uncommon and in too many cases go beyond acceptable limits.

The present self-regulating system seems increasingly unable to address the problem and it is not touched on in the regulations. During the long interval, has the Minister addressed the problem? He should do more than ask advertisers and businesses what they think, because clearly they have a vested interest in anything which may sell their products. Has the Minister considered whether anything can be done to tighten control?

Of still more immediate concern is the overstopping of political boundaries. I do not suppose that the Government have done much about this; if they have, they have no told us about it. There is a thin line between politics and public information, as the Goernment themselves pointed out when they banned local authorities from engaging in campaigns. Hon. Members have already referred to some of the campaigns which the Government ae involved in.

Public information on AIDS or the single European market which is to come into effect in 1992 may b one thing, but what of more controversial advertising on the poll tax or changes in benefits? What about the way in which the problems are glossed over and only the positive side is presented in an attempt to promote policies which are politically controversial and which are not of general public interest?

We are told that the IBA has refused departmental advertising on a number of occasions. Will the regulations apply to the Government's own advertisements? Have they considered the effect that the regulations will have? They will have to be careful when they put the regulations into practice. It is reported that the will spend £1 million on the English and Welsh poll tax campaign. We have already heard about the Scottish campaign. When they go ahead with the English and Welsh campaign I would not be surprised if they were the first victims of their own regulations. They may be had up for misleading the public about the campaign being part of the Government information service when it is blatant party political propaganda, paid for this time not by local authorities through the rates but by central Government out of the public's income tax contributions.

At the end of the day it is not Government, advertisers or big businesses which have the greatest interst in the proposals. It is the ordinary man or woman who interferes in no one else's life but is prey to small-time sharks who are interested only in making a fast buck at someone else's expense. Mail order advertising is one area of which I hope the Minister will take particular account.

Another that has hit some of my constituents are advertisements offering so-called work at home. There are several types but the most common advertisement demands a fee or a deposit for an instruction pack on how to start earning. Large earnings are promised with little effort or skill required. But the pack brings no more than a number of display cards and suggested advertisements to be used at the consumer's expense to recruit—yes—more home workers. In other words, the scheme recruits ever more agents to recruit ever more agents, with no real product at the end. The purchaser of the pack has to choose between losing his money—the sums involved mean a lot to the individuals who put money into these schemes—or trying to rip off someone else to recoup what he has already lost.

I took up a case with the Minister. My constituent from Mount Hawke had fallen prey to just such an unscrupulous scheme. The Minister's response was interesting. He offered little consolation. The Department was aware of such rip-offs and he quoted the ASA code. Indeed, he mentioned that tonight's new regulations might control such conmen; he hoped so anyway. But he did not seem certain. He concluded:

"It remains to be seen whether 'money making' schemes like this will be brought under control."

Without effective control, the Minister was only able to suggest that my constituent write to the advertiser to say "he considers that he was misld by their literature and demanding a refund of his money."

It is not very realistic if, in spite of the regulations and the ASA's code, all a person such as my constituent can do is write to the shark in question at a PO box number through which he will not be traceable. In this case, the shark did not even seem to have a box number; he had an address which turned out to be one, but it did not look like one.

So we must hope that the regulations will be effective. More effective protection for the ordinary men a nd women who suffer from such advertisements is needed. But the fear remains that the regulations will not work. The Minister expressed it in the letter to which I have referred. If the regulations do not work, I and my hon. Friends will return to the House to seek greater protection for consumers—the ordinary men and women who are always the losers.

1.15 am

Mr. John Home Robertson (East Lothian): The House should be grateful to the European Commission for taking this initiative, which has led the Government to take this rather timid step towards more effective controls on advertising standards.

The Minister spoke about the powers of the Director General of Fair Trading and our beleaguered local authority trading standards departments. He might also have referred to the most effective agency of all in enforcing standards of advertising—the "That's Life" programme, which seems to be the ultimate deterrent for many charlatan operators. My hon. Friend the Member for Norwood (Mr. Fraser) said that Lord Young of Graffham would be the first person to be hauled before the courts under the new regulations, but I suspect that we can beat him to that in Scotland.

The Secretary of State for Scotland has been inundating the letter boxes of Scotland with junk mail such as that described by the hon. Member for Truro (Mr. Taylor). The utter hypocrisy of Government Departments is a serious problem. They legislate to prevent local authorities from advertising certain aspects of their work, but blatantly spend large sums of public money on advertising the Government's political point of view. There have been recent spectacular examples of that in Scotland with the poll tax, as my hon. Friend the Member for Great Grimsby (Mr. Mitchell) mentioned.

I have a copy of a leaflet circulated by the Scottish Office last autumn at public expense. It was sent to every household in Scotland, and was misleading in many ways. It was a nice glossy leaflet with pictures of smiling people who will evidently be eager to pay the poll tax in due course. The leaflet was an attempt to sell the poll tax to an uninterested and hostile population in Scotland. It begins:

"*What is the Community Charge?*

It is a contribution payable by each adult to their local authority".

The word "contribution" implies that there is something voluntary about the poll tax. This is the soft sell approach.

[Mr. John Home Robertson]

"*How will the Community Charge differ from domestic rates?*

Domestic rates are paid by householders, less than half the adult population."

That is almost true, but the Government can make that assertion only by assuming that spouses are not part of the household. If we include the spouses of ratepayers, about 80 per cent. of the population of Scotland are ratepayers.

"*Will those on low incomes have to pay, such as the unemployed and other benefit recipients?*

Yes, but the rebate scheme will take account of their ability to pay."

Those of us who followed the interesting debates initiated by the hon. Member for Hampshire, East (Mr. Mates) on the English poll tax Bill will know that the rebate scheme takes only limited account of the ability to pay. Once again, we have demonstrated that that leaflet, circulated by the Government at public expense, was misleading and deceitful advertising material.

There is lots of stuff about "self-regulation". The Independent Broadcasting Authority and the Advertising Standards Authority apply certain standards to commercial advertising, but what self-regulation is there over misleading and deceitful Government advertising? I hope that the Minister will say something about that.

That is not the end of it. Another booklet has been circulated in Scotland, entitled,

"You and the Community Charge—A step by step guide."

Again, that has nice little graphics of smiling people, including, rather significantly, a smiling policeman and a man holding a shovel and also smiling. No doubt he is equally enthusiastic about the prospect of paying the poll tax. Among other things, it poses the question:

"Will the Registration Officers be able to go wherever they want to get information for their Registers?"

The answer is:

"No. The inquiry form will always be the main source of information. The Registration Officers will *not* be able to approach people's neighbours."

The registration officers and their staff this very week in Scotland, in my constituency and in Strathclyde, are trying to get information from neighbours about who is resident in which household. That is another example of a deceitful assertion, seeking to reassure people in Scotland about the way in which the poll tax will be operated.

Mr. John Maxton (Glasgow, Cathcart): It is even more misleading than that. When I received my form to fill in, it had my name and that of my wife on it. How the inquiry form can be the main source of information to the registration officer when it already has that vital information, I do not understand.

Mr. Home Robertson: My hon. Friend is right. We could have an interesting debate about the poll tax, but I suspect, knowing the stringent standards that you apply to these debates, Mr. Deputy Speaker, that I might run into trouble were I to do so. The point is that this soft sell, coming from the Secretary of State for Scotland, at public expense, is misleading and deceitful advertising.

Mr. Matthew Taylor: I would not want to accuse the Government, wrongly, of deliberately and directly misleading people in a leaflet, but the leaflet says that people cannot be approached for gossip and rumour about their neighbours. We were told in the Committee considering the Bill to introduce the poll tax into England and Wales that they could. Is there to be a different situation in Scotland—in which case, I am rather concerned for my constituents, and why they are being treated differently—or are the Government completely wrong in that leaflet?

Mr. Home Robertson: The answer is that there is to be equality of misery between the constituent parts of the United Kingdom, except that we are getting it a year earlier than the south.

The substance of the debate concerns advertising standards and the need for adequate protection of citizens, traders and everybody else against deceitful advertising. It comes ill from a Minister in this Government, whose colleagues in another Department are putting about misleading and deceitful advertising material at public expense, to give us such an assurance. I welcome the principle of more effective controls of such advertising, but I want an assurance that Government Departments and Ministers will be subject to the same standards. If such standards are to apply, the Secretary of State for Scotland should be hauled up before the appropriate authority, or court, pretty damn quick, and that would be a useful step in the right direction.

1.24 am

Mr. Michael Jack (Fylde): I rise to ask my hon. Friend the Minister two questions. Will he clarify how the regulations interrelate with the misleading price indicators code, which he is currently drafting under the terms of the Consumer Protection Act 1987? Will action under the regulations in any way prejudice subsequent action that someone may wish to take on the subject of misleading price indicators under the Consumer Protection Act?

1.25 am

Mr. Butcher: A large number of questions have been raised and in the time available I shall do my best to respond to each of the specific questions that have been put to me.

First, in regard to loan advertisements, consumer credit advertisements are regulated under the Consumer Credit Act and enforced by the trading standards department under the Director General of Fair Trading. Such advertisements may also be controlled under these regulations by the Director General of Fair Trading, or in the case of a television advertisement on independent television by the IBA, or by the Cable Authority in the case of cable advertisements.

The hon. Member for Great Grimsby (Mr. Mitchell) went on to say that we were talking about a ramshackle structure, that it would take too long and that we were tardy in our reaction in comparison with other members of the European Community. My brief answer to that is that an extensive regime is already in place in the United Kingdom and these regulations provide a long-stop, albeit a potentially draconian long-stop. Secondly, it was necessary for us to co-ordinate the implications of the regulations with the financial services legislation, and, thirdly, the United Kingdom has negotiated the system which we wanted to fit in with our regime. I do not think that the hon. Gentleman was entirely correct in his assertion that we are behind the European Community. Several other member states have not yet implemented such measures.

The question was asked why the Government have not provided complainants with direct access to the courts. That would place an excessive burden on the court's resources, and I have every confidence that the Director General of Fair Trading will be able to identify those complaints which require action. I used the expression "long-stop". In most cases, we would expect the director general or an appropriate administrative body to take the bulk of the action required. Only if he is faced with a particularly serious action will the director general need to go to the High Court for an injunction. Of course in a particularly serious situation we are complying with the requirements of the directive.

The hon. Member for Bradford, South (Mr. Cryer) rightly reminded us of the very important role of the Joint Committee. I made reference to that Committee in my opening comments—perhaps at too high a speed. The hon. Gentleman, amongst other things, raised the Committee's doubts about the vires for this power. I do not share those doubts. I consider that it is fundamentally a question of fact rather than law. The director general has considerable experience of the operation of a similar injunctive power under section 35 of the Fair Trading Act 1973, and he has found that the lack of a power to require the production of relevant information about business conduct has significantly restricted his ability to take effective action under that Act. If advertisers are able to frustrate the operation of these regulations, we shall not be meeting the requirements of the directive. Therefore, I consider that the power is quite justified.

Mr. Austin Mitchell: Why did the Department, after initially proposing that the IBA should have the same power to require evidence from advertisers, withdraw that proposal and not give the IBA such powers?

Mr. Butcher: The IBA has a very clear sanction to stop an advertisement which does not satisfy it. I believe that it has a good track record in exercising its responsibilities in that regard. The regulations deal with the prevention of advertising, if it is felt that it is likely to mislead. Penalties are dealt with in different legislation—for example, in the Trade Descriptions Act 1968. All hon. Members will commend the way in which the Independent Broadcasting Authority has used its preventive powers. I do not believe that it wants them to be enhanced.

Mr. Cryer: The point is not that the powers are not needed to implement the directive but whether the Minister has the power to implement the directive that is provided for by primary legislation. Merely because the director general thinks that the powers might be useful does not give the Minister the right to provide for them in the regulations. That can be done only by means of primary legislation. Is the Minister able to point to any primary legislation that would provide him with that power?

Mr. Butcher: Statutory powers are provided in the Trade Descriptions Act, and they have been used by trading standards officers. The regulations do not challenge those powers. We want to encourage trading standards officers to take advantage of the penalty powers that are provided for in the Act. We also want them to take advantage of the power to stop, investigate and police, and this is provided for in the regulations. I shall examine the record carefully tomorrow. If what I have said is not clear to the hon. Gentleman, I shall write to him, expanding on the points that he made in his first intervention.

The hon. Member for Norwood (Mr. Fraser) asked about doorstep selling, about the possibility of ex parte injunctions and about continuous sales. The directive on doorstep selling has been implemented. Regulations have been made and they come into force in July. As to the possibility of ex parte injunctions, interim relief is available for urgent cases, as regulation 6(1) makes clear by its reference to an interlocutory injunction. However, it will be the exceptional, not the normal case. As for continuous sales, misleading prices are to be dealt with by regulations that are to be made under part III of the Consumer Protection Act 1987 and by a code of practice that is to be approved under the Act. Misleading advertisement regulations will also be available, if necessary. If there is doubt, changes will be made to the Advertising Standards Authority code. I hope that that explanation helps the hon. Gentleman, but again I shall examine the record and if there is a point with which I have not dealt I shall write to him.

The hon. Member for Truro (Mr. Taylor) referred to the exploitation of women in advertising and asked why the regulations should not be used to restrain their exploitation. I recognise that some people are offended by the way in which women are represented in some advertising. The agencies that have a regulatory function in relation to matters of general taste apply the standards that they believe to be held by most people. Most advertising conforms to those standards. In any event, the regulations are not an appropriate occasion for addressing such matters, as the directive is confined to misleading advertisements.

The hon. Gentleman also asked whether the regulations deal with the advertising of pornographic material. He may not have mentioned dubious telephone services, but that is also part of the question. The regulations will enable the director general to seek a court injunction against a misleading advertisement, if he considers that it is appropriate to do so. The regulations are not the way in which to deal with the wider subject of other methods of marketing goods and services, to which some people object.

Mr. Austin Mitchell: If I see an advertisement featuring a scantily clad girl, which promises to tell me on the telephone about "My first ride" and I then ring up and hear about pony-trekking on Exmoor for 10 minutes and am dissatisfied with that, do the regulations provide me with a means of redress?

Mr. Butcher: If the lady in question had satisfied the hon. Gentleman's objective and he really was asking for a heavy-breathing telephone call, that would be covered by the Telecommunications Act 1984. It is an offence to send an obscene message over a telecommunications system, as he will know because he served on the Committee which considered that Bill.

It is not a question of obscenity, so far as the misleading aspect of such a message is concerned, if it is found to be harmless. We must ask whether the advertisement was legal, decent, honest and truthful. I do not wish to pronounce judgment on that, but, as a preliminary stab, I would say that it may not have been truthful, as the hon. Gentleman may have expected a heavy-breathing

[Mr. Butcher]

conversation and received a much more harmless one. I suspect, therefore, that the advertisement was misleading in that it was not truthful.

I turn now to the question of political advertising. I appreciate that there was a great temptation on the part of Opposition Members to indulge in leg-pulling about my Department's major campaign. I make no apology for that whatsoever. There is a strong reason for marketing the approach to 1992. I wish to quote from the *Daily Mirror* editorial of 12 March which states:

"1992 must not become another 1066.

Yesterday, Mrs. Thatcher and the Trade Secretary, Lord Young, launched a campaign to make all of us, employers and workers alike, aware of what is needed.

We must all support it. It is not a party political matter. Our future rests on its success."

I assume that most *Daily Mirror* editorials are now cleared with the Leader of the Opposition, so I ask the hon. Member for Great Grimsby to take another look at his comments when he made his accusations of politicisation of some of our advertising. We stated clearly in the White Paper that

"One of the aims in developing and publishing the objectives of the DTI was to give greater cohesion to its organisation and policies. The policies which DTI operates and the services which it offers to industry must be limited in number, coherent in approach and tightly defined so that they can be clearly understood and recognised by people in business. They must be well marketed and promoted."

I have heard accusations from some Oppostion Members that many of the Department of Trade and Industry's schemes and methods of assisting business and commerce have not been properly marketed, and that it is difficult for businesses in their constituencies to obtain what is available. We have been advised time and time again to use the most powerful medium, which is television. We are doing that and our advertisements correspond clearly with that legal, decent, honest and truthful requirement placed upon us by current practices.

The hon. Member for Great Grimsby tempted Conservative Members and indulged in a little leg-pulling about the politicisation of Government advertisements. The Opposition should take another look at some of the advertisements that appeared in the dog days of the Labour Administration in the 1970s. There is a magnificent headline in a national advertisement put out by the then Labour Government in 1975, which says:

"We must all co-operate in these difficult times to save our country . . . Inflation. We can beat it together."

By contrast, the Department of Trade and Industry's advertising campaign says to British industry, "Be a winner". We are saying, "This is how you can win. This is the information that you need, come and get it." What I have here is entirely negative and should be a political advertisement. I shall advise Conservative Central Office to reproduce this advertisement in the press as it stands so that people can be reminded of what it was like back in 1975.

A second advertisement, which I have here, reads:

"The Government's Anti-Inflation programme came into full effect on August 1st. This is what it will mean to you."

It is a full-page advertisement, and it is not Bernard Ingham—it was the Government of the day. It says:

"Your pay-rise will be limited to £6 a week in the next 12 months . . . If you earn £8,500 a year, or more, you will not get any increase at all . . . Action will be taken to limit price rises on some of your basic foods . . . If you own any shares your dividents will not be allowed to rise by more than 10% over last year."

That advertisement should become a political advertisement sponsored by Conservative Central Office. It should be reproduced in its entirety so that people can reach their own conclusions.

We are putting out advertisements on the "can do" principle. Britain can do it. These advertisements remind us of the days when the Government said, "You cannot do it. It is tough. Our country is under threat."

Mr. Home Robertson: The hon. Gentleman complains of leg-pulling by Opposition Members, but he is doing a little bit of his own. He is amplifying our argument. We quoted examples involving the poll tax and the Minister is quoting examples from some time ago. I have not seen all of the advertisements from which he is quoting, so I do not necessarily accept that they are examples of abuse. Does he accept that there is an overwhelming case for effective controls over the standard of advertising by Government Departments? This debate is supposed to be about controls over deceitful advertising in other sectors. Can the hon. Gentleman give us any undertaking that there are to be such controls over Government advertising?

Mr. Butcher: The controls are adequate, indeed very adequate. They have been enhanced today. I am afraid that I cannot agree with the hon. Gentleman. Perhaps he is in his confessional and implying that the Labour party may have been guilty of putting out the kind of advertising which he accuses us of putting out. The controls exist. The IBA has a clear stance. It has agreed that our advertisements are perfectly in keeping with non-party political objectives, I assume. I commend the regulations to the House.

Question put and agreed to.

Resolved,

That the draft Control of Misleading Advertisements Regulations 1988, which were laid before this House on 23rd March, be approved.

PETITION

John Ruskin High School, Coniston

1.45 am

Mr. Michael Jopling (Westmorland and Lonsdale): You will recall, Mr. Deputy Speaker, that I intended to present a petition to the House last Friday, but that, in view of the other business before the House and the multitude of other petitions which were to be presented, I explained that I would present it at some other early date. That day is today, although it is now 1.45 am.

The background to the petition is a strong feeling in my constituency about the proposal to close a school in Coniston in the Lake District. It is a correctly, carefully and beautifully drafted petition which is addressed thus:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled.

The Humble Petition of the Governing Body of John Ruskin High School situated at Coniston in the County of Cumbria and the Parish Councillors of Coniston, Broughton in Furness, Blawith, Claife, Hawkshead, Lowick, Torver, Satterthwaite, Skelwith, and Kirkby in Furness, in the said County of Cumbria, Sheweth;

That the inhabitants of High Furness whose children attend John Ruskin School are eminently satisfied with the efficiency, viability and educational standards of the School which is the only Secondary School in the High Furness Area. The School at the present time is occupied to 86 per cent. of its capacity and is attractive to parents from well outside its formal catchment area.

Your petitioners feel strongly that any move to close John Ruskin High School would have severe detrimental effects on the social structure of our area and would furthermore remove any real possibility of parental choice in the field of secondary education.

Wherefore your petitioners pray that your honourable House will support the continuance of this exceptional and much loved school by opposing the proposal of Cumbria County Council to close the said John Ruskin High School.

And your petitioners, as in duty bound, will ever pray, etc.

The petition has my warmest support. I have previously brought this matter to the House and it concerns a battle which I believe must be won. I hope that the House will support my constituents in the sentiments expressed in their petition.

To lie upon the Table.

Clyde Submarine Base

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dorrell.]*

1.46 am

Mr. John McFall (Dumbarton): The subject of this debate is a matter which was brought to my attention by an article in the *New Civil Engineer* of 28 April 1988, referring to the foundation problems associated with the building of the shiplift and finger jetty in the Clyde submarine base at Faslane. In a moment I will detail the specific nature of the problems referred to in that article. However, I am concerned at the response given by the authorities to the media who attempted to follow up the matter, who were met by a wall of silence from the Property Services Agency—which, regretfully, seems to be the norm for departments with responsibility with anything to do with the Clyde submarine base, whether or not they have any security implications.

There is failure to recognise that my constituents have a legitimate interest in the affairs of the Clyde submarine base. The base itself occupies a considerable part of my constituency. In fact, the MOD owns 16 per cent. of the land within the entire constituency and as a consequence has annexed the most beautiful part of my constituency —the peninsula around Gareloch—with considerable detriment to tourist potential. The latest Garelochhead bypass development, which stretches for more than 10 miles, has scarred the landscape and I have received numerous complaints from residents of both Helensburgh and the peninsula on the environmental destruction that is taking place as the result of the work undertaken by the Ministry.

Within the next few years the Trident programme will mean further inconvenience to the community. An increasing burden will be placed on the infrastructure, with a tremendous increase in traffic moving in and out of the base. MOD figures indicate that more than 1,500 lorries a day will be using the roads of Dumbarton constituency —roads which are already crowded and in need of upgrading. That will undoubtedly result in considerable inconvenience to my constituents and has worrying implications for tourism. Many tourists will be put off from journeying through the area with the knowledge that they will have to negotiate difficult bends and contend with heavy construction traffic. The degree of attention required by drivers will turn what should be a leisurely trip into a stressful journey. Many will decide that it is better to look for other areas of recreation.

Therefore, my constituents have considerable interest in the area, but the MOD and other Government Departments seem content on keeping the community at arm's length. Witness the response to *The Observer* report about a possible melt-down on HMS Resolution in January this year. I do not propose to go into that argument again. However, it is worth pointing out that the answer given by the MOD was minimal and did nothing to alleviate the fears of the community. There is no doubt that a fuller answer could have been given without detriment to any security requirements. It seemed to be a knee-jerk reaction to media interest which betrayed a lack of any thought or recognition of the community's interest in the base. It may well be a characteristic of those involved in defence generally. Recently, when documents relating to the servicing of the United States submarines at the Holy Loch base were washed up on Helensburgh beach, the United States authorities dismissed the documents as being of no interest. That comment was at variance with those expressed by defence experts and revealed the US Navy's answer to be both callous and insulting to the community.

The matter that I wish to bring to the Minister's attention is one which raises questions of safety, as it revolves around the construction of the shiplift and finger jetty designed to lift Trident submarines out of the water. The company responsible for the £120 million contract is Cementation Construction, and it has run into considerable difficulties with tubular steel piles drifting out of tolerence during driving. Hammers have also been breaking down, and an underreaming drill used to form pile sockets in the granite seabed has been lost. Cementation has to drive a total of 1,040 tubular steel piles for a 15,000-tonne capacity submarine shiplift and twin berth jetty. In addition, two concrete cellular jetties extending 285m out into Gareloch and supported on 825 piles of varying diameter are required to be driven. It is extremely worrying that about 150 piles are thought to have been driven so far, and dozens are going beyond the specified 75 mm lateral tolerance, some more than another 75mm out.

The reasons for the difficulties have been investigated by those concerned for over four months, yet no agreement has been reached. It is considered by the project consultant engineers, Babtie Shaw and Morton, that boulders in the soft clay which lie up to 80ft deep above the rock are responsible for knocking the piles off course as they are driven from offshore jack-up barges. However, this is contested by the contractor, Cementation. It has called in a foundation specialist which has decided that the boulders are incidental and that the main problem lies with the unexpected joints and fractures in the bedrock.

The obvious question is: was a terrain survey carried out before the decision to go ahead with the project was taken? I assume that this must have happened. So why was the fault not discovered at the time, over 12 months ago? Who is at fault for the present situation? If a pre-construction survey had been competently carried out in the initial stages, the implication would be that the difficulties were due to the operational procedures now being undertaken. We know that in fact there is a debate over driving procedures between BSM and Cementation which was resolved by way of a compromise. The immediate question is whether the piles that are out of line could feasibly have been driven according to specification, or whether the overburden and bedrock qualify as unforeseen ground conditions. To remedy the problem will be extremely expensive and difficult, as some piles will have to be extracted and replaced, while others will be treated in situ.

I would like to put a number of questions to the Minister. I realise that the complex nature of the matter means that it may not be possible for the Minister to respond fully this evening. If that is the case, I request him to respond in full by writing to me as soon as possible. Has a conclusion been reached on the nature of the problem? Is it the terrain, and, if so, can the problem be overcome, or will the project have to be abandoned? After all, in a report to Parliament last year by Sir Gordon Downie, the Comptroller and Auditor General, the building works programme at the Clyde submarine base was identified as a "high risk area". What is meant by that phrase? Was a

proper terrain survey carried out? If so, why was the fault not discovered? Who is responsible? How many piles will have to be replaced, and how many will be subjected to corrective measures whilst remaining in place?

The whole project was estimated to run for 162 weeks, until the summer of 1990. As more than four months have been spent in trying to identify the nature of the fault to no avail, presumably it will be impossible to predict accurately how much the Trident programme will be delayed by the setback. However, I should like to know how many weeks have been lost to date. The PSA refuses to comment. Why? This is not a matter of security, with grave implications. The PSA appears to feel that it has no responsibility towards the community, and does not need to communicate with them. There was an unofficial comment in the magazine *New Civil Engineer* from an unidentified individual at the base. This anonymous individual was quoted as saying that it was

"anticipated that the overall contract would still be finished on time."

That does not correspond to what is known about the difficulties of identifying the nature of the fault and of rectifying it. It appears to be just another bland assurance that everything is all right and that the public need not bother to ask any questions. It corresponds with the press release in the Clyde public safety document which states that in the event of a release of radioactive material the media should state that "a small quantity" of radioactive material has been released, regardless of the real nature of the accident.

Because of those bland assurances and the unwillingness to communicate on issues that are not directly related to security, my constituents are losing confidence in any statements made by the Government Departments involved with the base. Yet the MOD, with the greatest number of public relations officers in any Whitehall Department, seems unconcerned. This matter should deeply concern the Minister.

The *New Civil Engineer* magazine refers to the cost of delay and the extra work, which, in its opinion, is currently a highly sensitive issue between Cementation and the Property Services Agency. It adds that, although details of the anticipated ground conditions are unclear, the PSA has confirmed that the Cementation contract has no condition for unforeseen ground. What is the additional cost of the remedial work and who will pay for it? Will it be Cementation or will it be the project consultants, Babtie Shaw & Morton? Will they be considered to have any liability? Will the taxpayer, through the Property Services Agency, finally have to foot the bill? The Ministry of Defence has always been very reassuring about the cost of Trident, yet those costs have escalated year by year. The public have the right to know the additional costs that will have to be borne if the PSA takes ultimate responsibility for this regrettable situation.

The nature of the problem must be discovered and made public. The cost of the remedial work must be estimated and, if the problem is due in any way to human error, whoever is responsible must be identified. Above all, safety must be the overriding consideration in any remedial work. That should be the case in all contracts covering work at nuclear submarine bases. Here, above all, there must be no temptation to cut corners.

I note that since this contract was issued in July last year a clause has been introduced that allows contractors to claim against the Government for additional costs that result from unforeseen circumstances. I welcome the inclusion of such a clause because it gives some guarantee that safety will not be prejudiced by consideration of costs. I hope that the Minister will take it upon himself to ensure that the safety of my constituents, including service personnel, will be the overriding criterion, no matter who bears the financial responsibility for the matter.

I realise that there are many interests of common concern between us in relation to the Clyde submarine base and its economic and social influence in the constituency. In that respect, I freely and graciously acknowledge the Minister's assistance and courtesy to me in the past, and presently in regard to surplus MOD housing in Helensburgh. However, I hope that he will realise that he needs to be as open as he can with the community I represent when difficulties arise at the base. He should give real reasons, not the bland placebos of the public relations men which the MOD all too often provides.

1.58 am

The Parliamentary Under-Secretary of State for the Armed Forces (Mr. Roger Freeman): I congratulate the hon. Member for Dumbarton (Mr. McFall) on raising this important issue. I am grateful to him for giving me general notice of the points he proposed to raise.

The Government's decision to replace Polaris in the mid-1990s so as to maintain an effective nuclear deterrent well into the next century continues to enjoy overwhelming public support, as does the decision to use the Trident II D5 missile system with all the advantages of commonality that it will give us in operating a system which is in use with the Americans. Our programme is proceeding satisfactorily and on schedule. An essential part of it is the development of the Clyde submarine base and the construction of new facilities to support the Trident strategic weapon system and Vanguard class submarines at Faslane and Coulport.

The hon. Gentleman raised a number of detailed questions and I shall try to answer as many of them as I can. I will study the record and write to him if I am unable to cover all the ground tonight.

Works at the Clyde submarine base amount to almost £660 million of Trident development. That is all taking place within the hon. Gentleman's constituency. The origin of the hon. Gentleman's specific interest may lie, as he has suggested, in an article in the technical journal, the *New Civil Engineer*, dated 28 April. That article, aimed at professional civil engineers, described in some considerable detail technical difficulties that need to be tackled and overcome in the course of the development. I shall come to these issues in a moment, but before commenting on them I remind the House of the nature of the development, and in particular the shiplift being built at Faslane.

The Clyde submarine base, which is already the base of the Polaris submarine force, was chosen as the main base for Trident because of its closeness to our primary NATO area of interest, because of its ready access to deep water operating and because it offers deep water berthing.

The Clyde and its approaches is the only site meeting all these requirements without the additional costs of providing additional facilities and new buildings elsewhere. The base, incorporating HMS Neptune at Faslane and the royal naval armament depot at Coulport, is a

[Mr. Roger Freeman]

major home for the United Kingdom fleet, and the facilities being provided will support not only Trident but hunter-killer submarines into the next century. The base will also continue to support Polaris until the system is replaced.

The most important elements of this development programme are the creation of new facilities at Coulport for processing warheads and arming the submarines, including the construction of a floating explosives handling jetty, the development in the northern area of Faslane that will include a shiplift, a new jetty, support buildings and power generation facilities, and external works such as the network of new roads between Coulport and Faslane.

As a construction programme, this represents the largest and most complex project ever undertaken for the Ministry of Defence. Indeed, it is one of the biggest construction projects in the United Kingdom. Much of what we are building has to meet very exacting standards and criteria on nuclear safety, which the hon. Gentleman raised specifically. I am sure the House will realise that this represents a formidable challenge for the Property Services Agency and its contractors and consultants. I pay tribute to PSA, which acts as our agents in managing the project.

Part of this overall redevelopment includes two facilities being constructed by Cementation Construction Ltd. as the main contractor in the northern development area of Faslane, a finger jetty which will provide berths for submarines, and a shiplift to allow submarines to be serviced at short notice in dry conditions.

The concept of a shiplift is not novel. They are in increasingly common use throughout the world as a practical alternative to the more traditional facilities of dry docks, or floating docks. A shiplift consists of a platform which can be raised by a large number of winches—about 100 in the Faslane case—and can be used to lift vessels clear of the water. Our shiplift will be located within a large building and will provide a protected environment from the weather in which to service the submarines.

However, at Faslane there is a feature which adds considerably to the complexity of the technical task. This shiplift will be used to lift nuclear-powered vessels, and since safety must always be of paramount importance in all matters concerning nuclear reactors the shiplift, like many other facilities at Faslane, has to be constructed to the very highest standards required in the nuclear industry. That means that the structures themselves must be designed to remain sound, even in circumstances when a more conventional building would have failed, and, to use them as facilities for nuclear work, it is necessary to demonstrate to a body of independent nuclear experts who are separately advised by the safety and reliability directorate of the United Kingdom Atomic Energy Authority that the buildings, and the equipment within them, will withstand an earthquake of a magnitude that might be expected to occur once in every 10,000 years in the United Kingdom. I am not aware that such an event has occurred in our recorded history. If such an earthquake did occur, most of the other buildings in the area would collapse, but the nuclear facilities would remain sound.

I emphasise this because of the great importance we attach to the safety of the design and because it lies at the root of the matters addressed in the article referred to by the hon. Gentleman. The article describes problems experienced by the contractor in driving the piles needed to support the shiplift and the finger jetty, with the result that his programme is running later than he had hoped. These piles are steel tubes, typically 2 to 3 ft. in diameter, 160 ft. long and they must be driven into the bedrock with their tops located within a very small tolerance of between 3 and 6 in. I am sure the House will understand that such tolerances are not easy to achieve, but, because of the stringent safety standards we require for all our nuclear facilities, these standards must be maintained and any correction must be carefully controlled and monitored. About a third of the piles are now in place and work is progressing steadily. Where the contractor finds that a pile is out of tolerance, this is withdrawn and replaced. Less than 10 per cent. of the piles have been affected and, although the withdrawal and replacement naturally slow up the contractor's rate of piling, it does nothing to imply there is a basic engineering flaw.

The *New Civil Engineer* article goes on to speculate on the reasons for these difficulties and itself admits that the causes are many and various, ranging from the presence of boulders located in the clay on top of the bedrock to variable sea bed conditions. However, the House should understand that all these possibilities are not really relevant to the final outcome. The designers of the structure fully expected that rock conditions would be variable, and so the design takes account of that. Once the piles are correctly placed, the structure that they support will be safe, irrespective of the underlying ground conditions.

The article points not to a serious engineering flaw but to a slippage of the contractor's planned programme. The House will recognise that in any major construction project there are innumerable sources of slippage and the contractor and the PSA continually adjust their efforts and resources to minimise the effects of slippages on final completion of the project. I can assure the House that there is provision in the programme for the construction of the shiplift to take account of these slippages. We believe that the piling will be completed satisfactorily and that the complete facility will be provided within the time scale required for the Trident and other submarine programmes at Faslane.

Clearly, the requirement to meet stringent nuclear safety criteria has caused some cost increase in the shiplift contract. This is currently being assessed, although overall costs for this package, which includes other support buildings, as well as the syncrolift and finger jetty which I have already mentioned, remain within budget.

I am aware, too, of local concerns about nuclear safety in general, both in the current operation of the base and in the future. The hon. Gentleman has raised the incident involving HMS Resolution on 16 January. The press allegations about near-disaster were quite erroneous and alarmist. For the benefit of the House, let me repeat there was an electrical malfunction which was dealt with by standard operating procedures; at no time was there any danger to the submarine's reactor, its crew or the public. I assure the House that, as a result of the close attention paid to safety in the design and operation of nuclear submarines, together with the high standards of training of Royal Naval personnel, the possibility of any nuclear reactor accident is extremely remote. Indeed, we have

never had an accident to a Royal Naval submarine resulting in the release of radioactive material to the environment.

The construction programme elsewhere at Faslane is well under way. Advance works at Coulport are complete and work on the construction of the main facilities and jetty foreshore has commenced. The Property Services Agency has invited tenders for the floating explosives handling jetty. The network of new roads, including the Garelochhead bypass, the northern access road and the Glen Fruin road, have been completed bringing much needed relief to local communities and offering a substantial improvement to the general infrastructure in the area. I understand the hon. Gentleman's comments about the effect of all this development on tourism, both in the past and in the future, but I am sure that he agrees that the efforts of the Ministry of Defence, through the PSA, in improving the road infrastructure have brought great relief to Helensburgh and to through traffic in the area generally.

The hon. Gentleman will know that the Garelochhead bypass has been handed over as a public highway and the private northern access road which is open to the public will be a permanent benefit to the area. The opening of these roads was warmly welcomed by the communities. We have also made improvements to the public water supply to communities on the Rosneath peninsula.

Clearly the development of the Clyde submarine base represents a major investment in the region, and many opportunities have been provided for Scottish-based manufacturing and service companies which won some 80 per cent. of the advanced works business up to the end of 1987 valued at £135 million. Indeed, the two most recent contracts totalling £22 million went to the Scottish firms of A. Monk of Sterling and Norwest Holst of Lanarkshire.

My hon. Friend the Parliamentary Under-Secretary of State for the Environment was able to tell the hon. Member in January that about 1,650 employees of contractors and consultants engaged full time on the development had addresses in Strathclyde region. The comparable figure for Dumbarton district is about 800. Further major contracts let recently are expected to create about 700 job opportunities at peak. As I have indicated to the House, more contracts will be let later this year, including one for the floating jetty at Coulport.

The hon. Member will know, too, that we have paid particular attention to the impact on the environment and to the views of local communities, which we have welcomed at various community briefing meetings. I can assure the House that we are proceeding in an orderly and responsible fashion, taking account wherever possible of the legitimate concerns of local people, local and regional authorities and consultative bodies, including the Royal Fine Art Commission for Scotland and the Countryside Commission for Scotland.

The steps that we have taken to minimise the impact of the development range from major landscaping, conservation work and tree planting to noise insulation and strict contractor compliance with various conditions, such as construction traffic routes and working noise. I have no doubt that the local communities accept the need for what we are doing and recognise the lasting benefits that it will bring and the substantial efforts that we are making to alleviate the temporary burden which such a vast construction project places upon them.

As my right hon. Friend the Secretary of State for Defence has reported already to the House, the programme for replacing Polaris with Trident is proceeding satisfactorily and on schedule. The House should be in no doubt that it remains the Government's clear conviction that the Trident programme continues to represent outstanding value for money and that no enhancement of conventional capacity could possibly be of equal deterrent value.

Question put and agreed to.

Adjourned accordingly at eleven minutes past Two o'clock.

House of Commons

Wednesday 11 May 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRADE AND INDUSTRY

Companies (Extra-territorial Controls)

1. **Ms. Walley:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement about his policy towards the United States Government exerting extra-territorial controls over United Kingdom firms.

The Minister for Trade (Mr. Alan Clark): We have asserted on many occasions our rejection of United States claims to extra-territorial jurisdiction which infringe on United Kingdom sovereignty.

Ms. Walley: I thank the Minister for his reply, but I should have liked a fuller explanation of the way in which he thinks that this policy will affect the £2 billion trade deficit in the information technology industry in the United Kingdom. Given the damaging effects that it is having on not only my constituents but on others thoughout the country, does he agree that the time is right to ensure that United States law does not apply here? Will he take steps to do something about it?

Mr. Speaker: Briefly, please.

Ms. Walley: Does the Minister agree with *The Daily Telegraph* that this amounts to "RAM-shackle protectionism"?

Mr. Clark: I do not think that it has any effect on the trade deficit, although I should be interested to hear any case that the hon. Lady could draw to my attention. The problem with the United States' extra-territorial claims is that they carry, latent within them, a threat to cut off supplies to United Kingdom manufacturers if they do not conform to certain requirements of the extra-territorial provisions. If anything, it could be argued loosely that it has a beneficial effect on our trade rather than otherwise.

Mr. Batiste: Does my hon. Friend agree that the right way forward in this complex matter is to strengthen COCOM? How does he propose to deal with the problem, particularly as post-1992 some members of the European Community will not be members of COCOM?

Mr. Clark: I do not entirely agree with my hon. Friend. If the opposite of strengthening is weakening, I would say that COCOM needs to be relaxed rather than strengthened. One of the problems with COCOM is that it is too comprehensive, pays little regard to obsolescence and the list of items included thereon is far too long.

Mr. Malcolm Bruce: Is not the Government's attitude towards the American Government over this matter spineless? British companies and individuals faced with prosecution under American law, which does not apply in the United Kingdom, are put in a difficult position. One of my constituents cannot leave the country for fear of threat of prosecution from the American Government, but the British Government are not prepared to do anything to refute the allegation or to support him.

Mr. Clark: The hon. Gentleman is entirely wrong. There is no compulsion on British firms to accord with the provisions of the extra-territorial legislation in the United States. Any British company that wants to resist it will receive the fullest support of my Department.

Mr. Stott: Is the Minister aware that the equipment that is being caught by these regulations is not necessarily state of the art stuff? It is equipment that he and I use in our offices. He must be aware that a growing number of British companies must go through the rigmarale of filling in forms to satisfy the United States Department of Commerce, which is having an increasingly corrosive effect on relations between the United States and its allies. Is it not time that his Department did something more positive? I suggest that the Minister might consider using some of the provisions of the Protection of Trading Interests Act 1980 to signal to the United States that this country is not prepared to accept extra-territorial laws, which are affecting British companies and damaging British trade.

Mr. Clark: The British Government have made absolutely no concessions to the United States' extra-territorial provisions. If a British firm feels that its commercial interests are best served by acceding to the provisions, that is a matter for it. If it wishes to enlist our support in resisting them, we should be very glad to offer it. The United Kingdom does not accept the provisions and has always rejected them. The form filling to which the hon. Gentleman referred is in no sense a statutory obligation. It is purely a matter of convenience which some firms adopt to speed up their internal auditing processes.

Manufactured Goods

2. **Mr. Canavan:** To ask the Chancellor of the Duchy of Lancaster what is the latest balance of trade in manufactured goods.

Mr. Alan Clark: In the first quarter of 1988 there was an estimated deficit on trade in manufacturers of £2·9 billion.

Mr. Canavan: When does the Minister expect the Government to get trade in manufactured goods back to the surplus that they inherited from the previous Labour Government?

Mr. Clark: I refer the hon. Gentleman to the answer that I gave him on 13 January. In case he has forgotten what it was, I recommended that he ask his constituents and, if he thought it advisable, that he reproach them——

Mr. Canavan: Answer the question.

Mr. Clark: —that he reproach them for their propensity to buy foreign imports——

Mr. Canavan: When do the Government hope to get back in surplus? Answer the question.

Mr. Clark: I shall answer the question at some length, because I attach importance to it.

Mr. Speaker: I do hope not.

Mr. Clark: I am divided between my wish to accede to your desire, Mr. Speaker, and the vociferous requests by the hon. Member for Falkirk, West (Mr. Canavan).

Mr. Speaker: Order. Perhaps the balance could be in my favour today.

Mr. Clark: All sectors of finished manufactures are in equilibrium, except consumer goods.

Mr. Beaumont-Dark: Does my hon. Friend agree that two problems face manufacturing industries and the balance at present? First, it seems that the Government, for some unknown reason, wish to keep the pound higher than it conceivably should be, which is dangerous for manufacturing industry. Secondly, when there is a monopolies and mergers problem, which we all have in manufacturing industry, the Government must look to 1992 and not stop companies such as Cadbury and Rowntree, which may like to merge, when others are not stopped from approaching them. Do we not have to look at this as a matter of urgency, and not in some cosy, quiet way?

Mr. Clark: I have great respect for my hon. Friend's judgment, but I do not necessarily extend it to his judgment of so-called real exchange rate values. The three strongest manufacturing exporters in the world—Japan, Germany and Switzerland—have the three strongest currencies.

Mr. James Lamond: Why does the Minister not try to help resolve the dreadful balance of payments problem and save his own job at the same time by clamping down much more firmly on the unfair competition from Turkish yarn and textiles, which is beginning to threaten the fragile recovery of our textile industry and is already causing redundancies in textile firms in the north-west of England?

Mr. Clark: The industry, which is co-operating with my officials, is preparing an anti-dumping case. The hon. Gentleman will be interested to hear that the figures for the first quarter of this year show that imports of Turkish acrylic yarn are down by 75 per cent.

Sir John Farr: Is my hon. Friend aware that the other day one of the biggest hosiery manufacturers in Leicester equipped itself with Italian knitting machines? When purchases of that magnitude go abroad, does my hon. Friend look into the reason why, and if not, does he not think that in future large acquisitions of such foreign machinery should be monitored?

Mr. Clark: I do not find that objectionable. I regret that we do not make knitting machines in this country that are acceptable to the firm in my hon. Friend's constituency. As I told the hon. Member for Falkirk, West (Mr. Canavan), we are in equilibrium on capital goods, exports and imports. If those machines are used to manufacture finished products that will be exported and sold, all the better, I say.

Mr. Speaker: Mr. Roger Stott. Sorry, Mr. Austin Mitchell.

Mr. Austin Mitchell: Thank you, Mr. Speaker. That shows the benefit of appearing on television so frequently.

Does the Minister realise that his complacent answer amounted to saying that we are in balance except for the deficit in manufactured trade? Does he not realise the horrendous effect of the 18 per cent. rise of the pound sterling in real terms since the end of 1986, which will be disastrous for manufacturing industry? To illustrate that, may I ask him whether, in his view, the deficit in manufactured trade—in the first quarter it was running at £11·5 billion per annum compared to a surplus in 1978 of £5·5 billion, updated to 1987 values, which is a turnaround of £17 billion in manufactured trade—represents a loss of 750,000 jobs, 1 million jobs or 1·25 million jobs?

Mr. Clark: The figures that I gave the hon. Gentleman are up to date. They are for the first quarter of this year, when the exchange rate factor applied in the manufacturing sector. The only sector in which we are in deficit is consumer goods.

Northern Region (Ministerial Visits)

3. **Mr. Devlin:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on his recent visits to the northern region.

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): I have made two recent visits to the northern region. On 13 April I attended the first Action for Cities roadshow in Newcastle. This was well attended by local business men, who demonstrated their commitment to the regeneration of the inner cities by making many specific offers of assistance. On 15 April I visited Teesside and saw some very encouraging signs that the regional economy is steadily improving and that regional pride and self-confidence are returning.

Mr. Devlin: As unemployment in the assisted and intermediate areas of the region and in my constituency has fallen by 3 percentage points in the past 12 to 18 months, will my right hon. and learned Friend make a further statement on the industry in the region and the way in which it is picking up and creating jobs?

Mr. Clarke: At my hon. Friend's invitation, on 15 April I visited two successful companies in Stockton, and I cut the first sod of a factory site for a third company. I saw why the regional economy is improving. My hon. Friend might have added that job vacancies in the region doubled during 1987. The best survey of his local economy came from the Teesside chamber of commerce. It surveyed its members and discovered that 68 per cent. had increased sales in the first quarter of 1988, 62 per cent. reported increases in home orders, 45 per cent. had increased their work force compared with three months ago, 92 per cent. expect their work force to increase or stay the same in the next 12 months, 87 per cent expect to improve turnover in the next three months, and 84 per cent. expect to increase productivity. The Teesside economy is getting off its sick bed and becoming a healthy economy again.

Mr. Radice: On his trip to the northern region, was the Minister made aware of the critical shortage of factory

space, especially of units over 10,000 sq ft? Will he tell the House what the Government are doing to rectify that critical shortage, which threatens to choke off the upswing in the northern economy about which he has been talking?

Mr. Clarke: I congratulate the hon. Gentleman finding a cause for gloom out of so much good news.

Mr. Radice: It is a serious problem.

Mr. Clarke: It is a serious problem, because there has been a rapid increase in the demand for new factory space by businesses that want to open in the North-east. The hon. Gentleman is right in saying that demand is now outstripping supply. He knows the provisions that we made to English Estates and the assisted areas across the country. The time is now ripe for the private sector to provide factory buildings in the north-east as well. I assure the hon. Gentleman that, with demand and the state of the local economy being so high, it is obvious that private sector development of factories in that region is about to burgeon as well.

Mr. Fallon: Does my right hon. and learned Friend agree that the northern region depends heavily on foreign investment? It has more to lose than probably any other English region from political barriers being erected to commercially judged takeovers.

Mr. Clarke: I agree with my hon. Friend. The north-east has been found to be an attractive place to invest by the Japanese and by the first Korean investors, as well as by many European and American investors. Those foreign investors are welcome to put their money into the development of industry within these shores.

Mr. Cohen: Can the Minister confirm that the integrated operations development programmes submitted to his Department have been passed to the Commission in Brussels? To date, the local authorities which have submitted those programmes have not received any word from his Department. Can he inform the House of the scale and timetable of article 15 of the structural fund? What is his Department's position? The structural programmes are for three to five years, but, we believe, the article 15 money is for only one year.

Mr. Clarke: I believe that most of the integrated submissions have been made, but I shall let the hon. Gentleman know exactly which have now been made. No doubt he is most interested in the submission affecting his area. I know that the Birmingham submission has been made, and I believe that most of the others have also been made. With regard to article 15, we have accepted the local authority claims, but we are not taking a view. It is a matter between the local authorities and the Commission. Again, I shall write to the hon. Gentleman giving him the precise position on that.

Research and Development

4. **Mr. Darling:** To ask the Chancellor of the Duchy of Lancaster what recent representations he has received on the United Kingdom's spending on research and development.

The Parliamentary Under-Secretary of State for Industry and Consumer Affairs (Mr. John Butcher): Ministers of this Department receive representations regularly on all aspects of Britain"s research and development activities, including spending, from a variety of interested individuals and organisations.

Mr. Darling: Why does this country spend the lowest proportion of GDP on research and development of all our major competitors? Will not our balance of payments continue to deteriorate unless something is done about that? What do the Government intend to do to ensure increased spending on research and development?

Mr. Butcher: The hon. Gentleman has raised two points. He referred to the performance and spending from the private sector and industry, and to the level of spending sponsored by public funds. I shall answer his questions very clearly. If we consider Government-funded research and development as a percentage of GDP in 1985, we find that the figure for the United Kingdom is 1·3 per cent. for France 1·5 per cent., for West Germany 1·1 per cent., for Japan at 0·5 per cent., and for the United States 1·3 per cent. We compare quite favourably with the middle ground of the leading industrial nations.

However, the hon. Gentleman has a point when he refers to the performance of our industry in matching its competitors in other parts of the world. We are significantly below the international average in that respect. Given that the private sector and industry are now making excellent profits, we should ensure that they are doing their job and increasing the proportion of spending on research and development.

Sir Ian Lloyd: My hon. Friend will be aware from the reports made by our science attaché in Washington that the United States has recently allocated $200 million to research into the human genome. What representations has my hon. Friend received from our scientific community on that subject? What importance do the Government attach to it, and how much are we proposing to spend on it?

Mr. Butcher: No representations on that subject have come to my office from our scientific community. I suspect that in the first instance those representations might go to another Department as the sponsoring Department. However, I shall examine the position to discover whether representations have been made to another Department and write to my hon. Friend.

Dr. Bray: Is the Minister not aware that a paper on the support for the international project to map the human genome has been submitted to and considered by the advisory council on science and technology? Is there no liaison between Government Departments on these matters? Is he aware that it is a very important programme which has technological applications, and applications in the treatment of disease and perhaps, most important of all, in basic research? Will he confirm that there is no danger of funds being diverted from the basic research budget to make up the deficiencies in support for industrial research from the Minister's Department?

Mr. Butcher: As I explained very clearly, there are different sponsoring Departments for different types of research. In the final analysis, bids from different Departments will, of course, eventually go through to the advisory council on science and technology, and if they are of major importance they may go to a sub-committee chaired by my right hon. Friend the Prime Minister, which

also considers those issues. Any major enabling technology or technique of that nature will receive the fullest consideration.

Several Hon. Members *rose*——

Mr. Speaker: Order. We are making very slow progress today. I ask the House for brief questions and we will then receive shorter answers.

Business Support Services

5. **Mr. Forth:** To ask the Chancellor of the Duchy of Lancaster what progress he has made in examining the possibilities of using outside agencies to deliver some of the business support services currently provided by his Department.

Mr. Kenneth Clarke: All the consultancy initiatives within the enterprise initiative are administered by outside agencies. Discussions are in hand with the chambers of commerce and other bodies about the delivery of some of the services to exporters. Good progress is being made.

Mr. Forth: I thank my right hon. and learned Friend for his reply. Are there other encouraging signs that the process can be taken further and faster on the basis that advice provided by the private sector can be provided more effectively and flexibly? Will he confirm that the Department of Trade and Industry would receive much better value for taxpayers' money by spending it in that way rather than keeping work in-house?

Mr. Clarke: I agree with my hon. Friend, and that is why the consultancy advice under the enterprise initiative will be given by private sector consultancies. I am glad to say that the number of applications for consultancies means that we are well on target for the 1,000 consultancies a month that we forecast in the White Paper in January. All that consultancy advice will be given by good quality specialists in their respective fields drawn from the private sector.

Mr. Cousins: Does the Minister accept the European Court of Auditors' criticism of the way in which his Department administers consultancy grants in the regions? Will he introduce competitive practices in consultancy and marketing grants to enable small firms to survive in the region against large national accountancy firms?

Mr. Clarke: The report from the European Court of Auditors, which I confess I have not yet studied, will refer to past consultancies which, no doubt, were made available under the business improvement scheme under the auspices of the European Community. No one has had any chance yet to audit the progress that we are making under the enterprise initiative scheme. We are seeking to ensure cost effectiveness, and I am sure that we are achieving that. The response from companies that are seeking consultancy shows that we are providing a service that is welcomed by industry.

Manufacturing Investment (West Midlands)

6. **Mr. Anthony Coombs:** To ask the Chancellor of the Duchy of Lancaster what are the figures for manufacturing investment in the west midlands for the years 1983 and 1987.

The Parliamentary Under-Secretary of State for Industry (Mr. Robert Atkins: Regional investment data for 1987 are not yet available. Net capital expenditure, at 1980 prices, by manufacturing industry in the west midlands in 1983 and 1986 was £489 million and £603 million respectively.

Mr. Coombs: Does my hon. Friend agree that those excellent figures show that the west midlands manufacturing industry has been enabled to increase its productivity by 7 per cent. last year, to increase market share and thereby to increase employment in the industry? Will he confirm that any further improvements in competitiveness depend crucially on further improvements in productivity, which depend on wage settlements reflecting increasing productivity, but not exceeding it?

Mr. Atkins: My hon. Friend has made the case exactly.

Mr. Nellist: Is not the figure that really matters the assets per worker in factories in the west midlands, which is still at a historically low level in real terms, because companies in the west midlands prefer to take the wealth that workers create in short-term profits rather than invest for the future? Is that not the real reason why under this Government the west midlands and the rest of the country are becoming the warehouse of the world, instead of what used to be known as the workshop of the world?

Mr. Atkins: The west midlands is an extremely important part of Britain. Many of my hon. Friends who represent constituencies in the area will vouchsafe what we know to be true, which is that many of the workers in the west midlands are doing extremely well and tend to vote Conservative in greater numbers as a result of their prosperity.

Mr. Gould: Does the Minister recall that in a debate last week of great importance to investment in the west midlands I questioned the assertion of the Chancellor of the Duchy of Lancaster that Rover had recorded record exports last year? Will the Minister ask his right hon. and learned Friend whether he has now confirmed, as my researchers have, that Rover's exports last year of 165,000 cars fell well short of the 200,000 that it exported in 1979? Will he now admit the error to the House and set the record straight?

Mr. Atkins: They were record exports in value, not volume.

CBI

7. **Mr. Oppenheim:** To ask the Chancellor of the Duchy of Lancaster when he last met the director general of the Confederation of British Industry; and what matters were discussed.

Mr. Kenneth Clarke: My last meeting with the director general of the CBI was on 25 January. Our discussions on that occasion were mainly concerned with inner-city issues.

Mr. Oppenheim: Did my right hon. Friend have an opportunity to discuss with members of the CBI the latest issue of *Fortune* magazine? If so, did they notice the article entitled, "Britain is Back" about the British economic miracle? While there is no place for complacency, and though it may be that *Fortune* slightly overstated the case,

is not that article further proof that the Government's industrial policies are working, and should not the Opposition accept that fact?

Mr. Clarke: I do not recall any opportunity to discuss the *Fortune* article, but passing reference may have been made to the praise that we received from the retiring Japanese ambassador about the British economic miracle. I agree with my hon. Friend that we must sustain our achievement, and the CBI takes an optimistic view of the future prospects of British industry in its latest survey. We must continue all the good work, which is now earning such praise from all around the world.

Mr. Salmond: Did the Chancellor of the Duchy of Lancaster take the opportunity to explain to the director general of the CBI the developing mystery of United Kingdom competition policy, whereby takeover bids for companies with golden shares are not referred to the Monopolies and Mergers Commission but the minority holdings of companies without golden shares are referred to the MMC? Is it not the case that competition policy is such that only companies with headquarters in London are afforded any protection?

Mr. Clarke: If there is a certain amount of mystery about our competition policy, it is because not enough Members have read the document that we recently published on mergers policy. It clearly states the criteria that we think ought to be applied. We believe that one should look mainly at the effects of competition on the British economy in protecting the interests of the British consumer. There are also powers taking account of the wider public interest. All those matters are considered consistently and sensibly by the Government on the advice of the director general as well.

Mr. John Marshall: When my right hon. and learned Friend next meets the director general of the CBI, will he discuss the view, with which many of us are in sympathy, that if the United Kingdom is the only EEC country to allow hostile bids from outside its shores, there is a risk that we shall become a branch factory economy? Will my right hon. and learned Friend also discuss the view that there should be reciprocity in takeover bids between this country and Switzerland?

Mr. Clarke: I am sure that we are not the only European country allowing bids from outside its shores. Within the European Community we are aiming for free movement of capital, from which I am sure the Community will benefit. As I explained in the exchanges on this subject yesterday, if there is no reciprocity between countries, that factor can be taken into account when considering whether to refer a bid to the Monopolies and Mergers Commission. We are awaiting the director general's advice on the particular case which I know concerns my hon. Friend.

Mr. Blair: As the Minister referred to the White Paper on mergers policy, I may tell him that it stated:

> "As for the suggestion that the competition authorities are too parochial in their approach and should take a wider European or indeed global view of markets, the Government believe the criticism to be based on a misunderstanding."

Is that still the Government's view? If not, and if competition policy is changing, will the Minister ensure that any changes are first notified to the House and do not escape in dribs and drabs of ministerial speeches?

Mr. Clarke: The quotation that the hon. Gentleman gave is entirely accurate, but it deals with a separate point. There are many areas of manufacturing and service industry where, if one looks at the market, it is found to be an international market. In 1992 we shall be looking to a single market within the European Community, so one must consider the impact of competition within that new market. It would be a mistake to confine one's view to the United Kingdom market, which would lead one into examining too much of a microcosm of the whole picture.

Yesterday, the Opposition—or at least the hon. Gentleman—seemed to be taking an extremely parochial view. As I see it, their policy is that no foreigner should be encouraged to invest in this country and that no English man should be encouraged to invest abroad. That is completely out of date and untenable in modern economic conditions.

Sugar Confectionery

8. **Mr. Gregory:** To ask the Chancellor of the Duchy of Lancaster what tariff is imposed by Japan on United Kingdom sugar confectionery; and if he will make a statement.

Mr. Alan Clark: The Japanese tariff on United Kingdom sugar confectionery is 35 per cent. We shall be pressing in the Uruguay round of multilateral trade negotiations for it to be reduced. Meanwhile, we are taking appropriate opportunities to tell the Japanese Government that we regard the level of the duty as excessive.

Mr. Gregory: We hear increasingly from the Government Front Bench about the round of discussions, but when will my hon. Friend stop drinking saké with the Japanese ambassador and get to grips with the problem, so that we may enjoy free and fair trade? There should be an opportunity for United Kingdom sugar confectionery and other manufactured goods—particularly, Scotch whisky—to enter the Japanese market.

Mr. Clark: The level of tariffs raised by the Japanese is on average lower than that raised by the European Community. If I may mention chocolate without having to answer a question about Rowntree, I point out to my hon. Friend that the tariff on chocolate has been reduced from 20 to 10 per cent. Our exports of confectionery to Japan amount to more than £4 million per annum, whereas its exports of confectionery to Britain total only £52,000.

Mr. Henderson: Is the Minister aware that we may not be in a position to export any chocolate to Japan shortly unless action is quickly taken on the matters referred to yesterday? We were discussing the possibility of a reference to the Monopolies and Mergers Commission of the Nestlé bid for Rowntree, and 42 per cent. of the company's shares were in foreign ownership by the end of the day. Is he also aware that Mr. Kenneth Dixon——

Mr. Speaker: Order. I called the hon. Gentleman on this subject yesterday. This question is about Japan.

Mr. Clark: I do not see how any of the factors that the hon. Gentleman mentioned will inhibit our exports of chocolate to Japan, which last year amounted to £1·2 million.

National Transputer Support Centre

9. **Mr. Knight:** To ask the Chancellor of the Duchy of Lancaster what assistance he is giving to the national transputer support centre.

Mr. Butcher: The Sheffield transputer centre is one of six transputer centres supported by the joint Department of Trade and Industry/Science and Engineering Research Council initiative to encourage the wider use of transputers. It is run jointly by the University of Sheffield and the Sheffield City polytechnic. My Department has contributed £635,000 to the transputer initiative.

Mr. Knight: Does my hon. Friend accept that, because there is a clear benefit to industry, it should be prepared to support these activities and develop the transputer for the market? Does he agree that this is the direction in which we should be moving—a greater role for private sector support?

Mr. Butcher: My hon. Friend will have noticed that in my Department's White Paper and subsequent announcements in the enterprise initiative this is precisely the way in which we want expenditure to move. The closer one gets to the markets, the less need there is for public sector funding, and the converse also applies. We believe that at long last the age of the transputer has arrived. It is showing signs of being a great success and I believe that its incorporation in super-minis, in particular, will bring great benefits in market terms.

Leasing

11. **Sir Fergus Montgomery:** To ask the Chancellor of the Duchy of Lancaster what was the value of the leasing industry in *(a)* 1987 and *(b)* 1986.

Mr. Atkins: The latest estimate of finance provided by the leasing industry in 1987 is £3·4 billion at 1980 prices. The corresponding amount in 1986 was £3·1 billion at 1980 prices.

Sir Fergus Montgomery: Does my hon. Friend agree that that reply shows the contribution made to the United Kingdom economy by the service sector? Would it be true to say that the service sector in this country——

Mr. Tony Banks: Stop reading, Fergus.

Mr. Speaker: Order. It is perfectly OK. The hon. Member is glancing at his notes.

Sir Fergus Montgomery: Does my hon. Friend agree that the service sector contributes twice as much to the economy in output and three times as much in employment as the manufacturing sector?

Mr. Atkins: My hon. Friend has stolen my thunder. He is quite right.

Internal Market

12. **Mr. Wallace:** To ask the Chancellor of the Duchy of Lancaster what further plans his Department has to publicise the implications of the internal market to industry.

Mr. Kenneth Clarke: The Government are already taking a number of measures to alert business to the single European market and the vital importance of preparing for it now. These include regional conferences, detailed literature, national advertising and a telephone hotline. The single market campaign will run until 1992, but we shall continually assess its exact form in the light of current needs.

Mr. Wallace: Is the Chancellor aware of the recent CBI survey in Scotland, which showed that 34 per cent. of companies did not even know about the introduction of the single market in 1992? What further steps does he propose to take in Scotland, bearing in mind the difficulties that the peripheral areas face in trading because of transport costs? Will he ensure that his Department puts a forceful case to the European Commission for continuing to make available European regional development fund moneys for the Highlands and Islands?

Mr. Clarke: The hon. Gentleman's first point helps make the case for this campaign. When we started in England we found a low level of awareness and understanding among British industry. Already, after the first few weeks of the campaign, there has been a substantial increase in awareness, with more businesses preparing themselves for what they have to do for the changes of 1992. I am sure that my right hon. and learned Friend the Secretary of State for Scotland will mount a similar campaign there.

As for the hon. Gentleman's last point, I assure him that we shall be pressing that case on the European Commission and in our discussions in the Council of Ministers with other member countries.

Mr. Cyril D. Townsend: Does my right hon. and learned Friend agree that for Britain to get the maximum benefit from the internal market we need dynamic British companies? Will he ensure that countries that prevent British companies from making takeover bids are not allowed to launch predatory attacks from a safe base? We have accepted the principle of reciprocity in financial services. Should we not do the same for manufacturing industry? Would it not be a good start to refer the Rowntree bid?

Mr. Clarke: The single market will be of considerable benefit to all the economies of the EC. We are creating a large market of 320 million people, which will attract a lot of inward investment. One of Britain's main aims must be to attract a disproportionate share of that inward investment compared with other countries. That still leaves us looking at individual bids, as I said yesterday on the case raised by my hon. Friend the Member for York (Mr. Gregory). Whether a similar bid could be made in the country from which the investment comes is a relevant factor, but it is only one of the factors that have to be considered once we have the director general's advice.

Mr. Macdonald: Will the Chancellor confirm that the reported growth in manufacturing exports to Europe in the last quarter of last year was based upon statistical distortions and that manufacturing exports over the past two quarters have been stagnant, if not, indeed, in decline, confirming that the Government's policies have done nothing to prepare British industry for the single market?

Mr. Clarke: I always treat trade figures with caution, not least because my hon. Friend the Minister for Trade is considerably more expert on them than I am. Certainly recent trade figures should be treated with caution,

because the way in which they are compiled has been changed since the beginning of this year. As the hon. Gentleman knows, the proportion of British trade going into the EC has gone up from about 34 per cent. when we joined the Community to about 50 per cent. now. It is a most important market. It is a fast-growing market and British industry is now extremely competitive and well placed to take advantage of it.

Mr. Page: Will not our future success within the internal market in the EC depend on the establishment of standards? What steps is my right hon. and learned Friend taking to ensure that British standards are accepted and adopted within the EEC?

Mr. Clarke: My hon. Friend is right to say that the question of common standards is a matter of the highest priority. As we move towards the completion of the single market we are making a strong input to ensure that British standards are properly acknowledged and are not simply replaced by those of our competitors. We are also seeking the support of British industry in all the detailed work that is required to ensure that acceptable standards are in place so that we can have a genuinely free market by 1992.

Mr. Gould: Is the Chancellor satisfied that high-volume babble from advertising men is enough to match the much more careful analysis being made by other Governments in conjunction with industry of where their strengths and weaknesses truly lie, and of what advantages and disadvantages they can expect from the internal market? Is there not a worrying sense of dé jà vu about all this? Did we not hear the same hype and complacency in the 1970s and was that not followed by a massive loss of market share to European rivals? Is not the only real difference that on that occasion Lord Stokes at least had enough confidence in his own commercial judgment, even though he turned out to be wrong, to pay for his own full-page advertisements?

Mr. Clarke: I recommend that the hon. Gentleman gets hold of the substantial amount of literature that accompanies our presentation so that he can inform himself better of what the Government are advising British industry on when it comes to the single market. I well remember the hon. Gentleman, when he represented a different constituency, being one of the foremost opponents of our ever entering the EC. I suspect that inwardly he has not changed his opinion since that time. I am surprised that the late Lord Stokes' judgment is called in aid of any of these industrial matters. I have been studying some of the Labour party's advertising campaigns of the 1970s—television campaigns and whole-page advertisements, with leading industrialists and trade unionists urging the country to support the Government in backing price freezes and wage restraints. The difference was that that Government were dreary, second-rate and boring, like their advertisements——

Mr. Haynes: On a point of order, Mr. Speaker. The Chancellor is making a speech.

Mr. Speaker: I rather agree. It does not appear to have much to do with the implications of the internal market.

Mr. Patrick Thompson: When my right hon. and learned Friend publicises the implications of the internal market for British industry, I hope that he will make clear the important need to be even more competitive, particularly in manufacturing industry. Is not one way of doing that, both before and after 1992, to ensure a better supply of professional engineers and engineering skills? That is the way forward, so that British firms can compete more effectively with industry overseas. After all, we are producing fewer professional engineers than the Japanese. What are we going to do about that?

Mr. Clarke: I can be brief on this occasion because I strongly agree with my hon. Friend both that we need to be competitive and that we shall find it difficult to remain competitive if we do not encourage the training of sufficient people in engineering skills of the right quality. We shall continue to give that matter close attention.

Economic Growth

13. **Mr. Henderson:** To ask the Chancellor of the Duchy of Lancaster whether his Department is planning any new initiatives to stimulate the economy in the regions outside the south-east.

Mr. Kenneth Clarke: My Department's recently announced enterprise initiative includes a range of measures which are designed to take into account the needs of the regions and inner cities. The services provided under the initiative will change over time, as the needs of business change.

Mr. Henderson: Will the Minister confirm that at his various breakfast meetings in the north and the south industrialists have told him of the important link between industrial development and housing provision? Will he make representations to his right hon. Friend the Secretary of State for the Environment on the need to prevent further housing development in the green belt in the south, thus preventing further congestion of the south and helping the north?

Mr. Clarke: North-eastern Labour Members are ingenious. A moment ago the hon. Member for Durham, North (Mr. Radice) found gloom in the booming state of northern industry—or certainly its rapid expansion—but the hon. Member for Newcastle upon Tyne, North (Mr. Henderson) now wants to change the subject to housing. It is certainly necessary to provide proper housing for the employees of industry in the north-east, and the proposals of my hon. Friend the Minister for Housing and Planning to revive the private sector and encourage private investment in rented accommodation will benefit the north-east as well as other parts of the country.

Mr. Tim Smith: Is not the hon. Member for Newcastle upon Tyne, North (Mr. Henderson) right? Would not one way of stimulating the economy in regions outside the south-east be to pursue tougher planning policies on industrial, commercial and residential development in the south-east, so that employers looking for more labour would be encouraged to go to areas of high unemployment? Then, perhaps, the housebuilders might be encouraged to go with them.

Mr. Clarke: If I am to be fair, I might apply to my hon. Friend the Member for Beaconsfield (Mr. Smith) the strictures that I applied to the hon. Member for Newcastle upon Tyne, North. The nub of my hon. Friend's question must be directed to my right hon. Friend the Secretary of State for the Environment. As a midlands Member of

Parliament and an Industry Minister, I certainly have an interest in prosperity spreading northwards. The sheer pressure of economics—the cost of land and the difficulty of recruiting staff in the south—is helping to stimulate the expansion of the economy in the midlands, the north and the inner cities.

Mr. Eastham: The rest of the country obviously recognises the seriousness of the north-south divide. May I impress that on the Minister in relation to the Channel tunnel project? Will he at least ensure that some of the contractual work, such as the consequential heavy engineering, will go to Scotland, the north-east and the north-west?

Mr. Clarke: As I understand it, quite an amount of work from the Channel tunnel project is going to the assisted areas, although it is not for the Government to place that work. I believe that the economy of the north has a great deal to gain from the Channel tunnel and improved communications with the continent. The recent actions of the National Union of Seamen underline the need for the rapid completion of the Channel tunnel, and we all hope that it is being dug even more quickly while present events continue.

Rental and Leased Cars

14. **Mr. Simon Coombs:** To ask the Chancellor of the Duchy of Lancaster what were the total number of rental and leased cars in *(a)* 1987 and *(b)* 1986.

Mr. Atkins: Estimates by the British Vehicle Rental and Leasing Association suggest that the population of rental and leasing cars was more than a million in 1987, a substantial rise on the figure of 889,000 in 1986.

Mr. Coombs: Does my hon. Friend agree that that answer reflects the wider success of the car industry, which recorded an 8 per cent. growth in new car sales in the last financial year? Will he join me in congratulating fleet hire companies such as PHH in my constituency on their contribution to cost-effective vehicle use in British industry?

Mr. Atkins: I am delighted to associate myself with my hon. Friend's compliment to PHH. Firms such as PHH, which is one of the market leaders, are rightly well-regarded for the service that they provide and for their contribution to small and large company profitability. My hon. Friend is right in his assessment of the figures, they are yet another indication of the success of the Government's economic policies.

Mr. Foulkes: Is the Minister aware that one or two of these cars are almost certainly rented or leased by employees at the Girvan factory of Rowntree-Mackintosh in my constituency? I share the view that the proposed takeover of that company should be referred to the Monopolies and Mergers Commission. As so many hon. Members on both sides of the House are saying that, surely the Minister must be getting the message.

Mr. Atkins: I do not think that that has a lot to do with rental and leasing.

Financial Services Act

15. **Mr. McAvoy:** To ask the Chancellor of the Duchy of Lancaster what representations he has received on the workings of the Financial Services Act.

Mr. Kenneth Clarke: My Department has received a large number of inquiries and comments about the Financial Services Act in the 18 months since Royal Assent.

Mr. McAvoy: I thank the Minister for his answer. Will he tell the House how many hundreds, if not thousands, of firms are operating under the Act with only interim authorisation? Given the recent scandal of EYAS Securities, which had to be prevented from trading only a few days after the Act came into operation, what steps is he taking to ensure that the consumer is properly protected?

Mr. Clarke: It is true that at the moment quite a number of firms are operating with provisional approval. However, even those that have interim authorisation will be subject to much more effective regulation than hitherto. They will be required to observe conduct of business rules which give better protection to investors than that currently available.

Mr. Robert Banks: Does my right hon. and learned Friend agree that it is highly regrettable that the Financial Services Act does not contain any provisions which would frustrate the attempt by a Swiss company to take over a company such as Rowntree, bearing in mind that the share structure of that company is such that the vital voting shares can be held only by those whom the company agrees can hold them, and that this would militate seriously against any company being able to take over Nestlé, which might by that time have swallowed up Rowntree? Is he aware, furthermore, that Rowntree is a very old company established in 1725 and is vital to the industry in York and the surrounding areas?

Mr. Clarke: By one means or another I am being subjected to a number of questions about the state of Swiss law. Personally, I do not approve of the state of Swiss law, and if I were Swiss I would improve it and make sure that Swiss management was exposed to the same commercial pressures as our own. The fact that it is not, as I have said, in some circumstances can be relevant when considering a merger application. However, we have to consider the wider public interest. I know of the concern in my hon. Friend's constituency in Yorkshire, and I can assure him that we will be confirming this as quickly as possible when we have the advice of the Director General of Fair Trading.

Mr. Campbell-Savours: Following the closure of IDB last year and Afcor Investments a week and a half ago —both events that I predicted last year would happen, as investors drew my attention to their loss of hundreds of thousands of pounds in over-the-counter shares—is it not quite clear that many fraudsters and swindlers operate in the over-the-counter market? Is it not about time that the Government intervened to protect the public by making the investor protection legislation work? People cannot continue losing money on that scale.

Mr. Clarke: I do not know whether that was another notable figure confessing to the use of soothsayers, but the

hon. Gentleman was obviously very prescient if he gave that advice to his constituents. He is making a case for the provisions of the Financial Services Act, and I can assure him that they will provide much more stringent protection for the private investor in this country in future. Certainly we are determined to ensure that they do that.

Industry (Competitiveness)

17. **Mr. Turner:** To ask the Chancellor of the Duchy of Lancaster what measures his Department is planning to improve the competitiveness of British industry.

Mr. Kenneth Clarke: Improving competitiveness is primarily a matter for industry itself. Through the enterprise initiative my Department already offers a comprehensive range of practical advice and assistance on which firms can draw. This will be revised from time to time as the needs of business change.

Mr. Turner: Is the Minister aware of the damage that the rising exchange rate can do to Britain's industrial competitiveness? As the Chancellor of the Exchequer has said that he does not believe that the rate can be sustained, will the Chancellor of the Duchy of Lancaster tell us when he thinks it will begin to fall? Will the Minister tell the House when he will support industry instead of the City speculators?

Mr. Clarke: I do not intend to make any predictions about future exchange rates, and I advise the hon. Gentleman to seek the no doubt expensive advice of those who study the currency markets, who might try to guide him. These matters are not completely under the control of the Finance Minister of any single country. We play our part in seeking to achieve reasonably stable exchange rates and to eliminate unnecessary speculative short-term changes, but in the end it is the markets that determine the level of exchange rates. It is up to British industry to respond by improving its competitiveness in the face of whatever pressures it faces in the market place.

Mr. Hayward: Will my right hon. and learned Friend disregard any strictures from the Opposition Benches about competitiveness, since the Opposition have the most heavily over-manned Front Bench that has ever been seen in this Chamber, to the extent that their own workers and slaves on the Back Benches cannot even make contributions?

Mr. Clarke: I think that it is the first manifestation of the new industrial strategy that this large Front Bench team is meant to be working on. No doubt it will wish to apply to British industry principles that are similar to the ones that it applied in the past.

Mr. Hoyle: How will the competitiveness of British industry be improved if Rowntree is taken over by Nestlé? Will the Chancellor of the Duchy of Lancaster ensure that this matter is referred to the Monopolies and Mergers Commission?

Mr. Clarke: I can make no more comments on this bid than I have made in the last two days. Heaven forbid that I should ever be repetitive in this Chamber, so the hon. Gentleman knows what I said to him yesterday. To expose the management of companies to all the competitive pressures of the market place, which include vulnerability to acquisition by those who believe that they can improve the performance of a company, helps to raise the performance of the economy as a whole. We have to determine whether that is the major factor in this case, where the public interest lies and whether there is any case for referring it to the MMC. We shall do this once we have received the advice of the director general upon it.

Mr. Hind: Is my right hon. and learned Friend aware that, due to the success of the Government's policies, there is a shortage of factory space in the north of England? What efforts is he making with the private sector to encourage factory building, which is bound to increase, and thereby improve, the competitiveness of British industry?

Mr. Clarke: We have ensured that English Estates has more resources available to it this year to help the assisted areas. I agree with my hon. Friend that we are now looking to the private sector to meet that demand. One aspect of the improvement of the economy in the north-west is that rents for accommodation are likely to rise because more profitable firms can afford to pay higher rents. That, in turn, will stimulate further development. We must do everything that we can to encourage that development, and the Government will take whatever steps they can towards that end.

European Regional Development Fund

18. **Mr. Kennedy:** To ask the Chancellor of the Duchy of Lancaster when he expects next to discuss matters relating to the structure of the European regional development fund with other European Community Ministers; and if he will make a statement.

Mr. Atkins: The next Foreign Affairs Council, on 24 and 25 May, which my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs will attend, is due to discuss the Commission's proposal for a new framework regulation for all the Community's structural funds, with a view to its adoption.

We shall be concerned to ensure that the European regional development fund continues to make its important contribution to British regional development.

Mr. Kennedy: I thank the Minister for his reply. On 24 and 25 May, will he and his Department make every possible effort to ensure that the British Government's representatives at those meetings maintain the pressure that the Euro-MP, Winnie Ewing, the local authorities, the Highlands and Islands Development Board and parliamentary representatives in this House from the Highlands and Islands of Scotland have exerted over the past few months to ensure that our access to and eligibility for support from the ERDF, which is crucial to our part of the country, is retained?

Mr. Atkins: The hon. Gentleman will know that recently I had the pleasure of receiving a delegation from the Highlands and Islands. I was pleased to be able to tell the delegation, as I can now tell the House, that I am happy to follow the lead taken by my right hon. and learned Friend the Secretary of State for Scotland in supporting most strongly the Highlands and Isiands bid for its fair share of the ERDF. We shall continue to fight our corner as strongly as we can.

Mr. Cryer: In addition to safeguarding ERDF funds from the Common Market, when the Minister is in communication with the Common Market will he tell it that imports of yarn from Turkey are damaging areas in Yorkshire and Humberside, such as Bradford in my constituency, that they have caused the loss of jobs and short-time working in the textile spinning industry, and that the safeguard clause, which is a pretty weak one, negotiated by this Government should be brought into operation as a matter of urgency?

Mr. Atkins: If the hon. Gentleman had been here earlier this afternoon he would have heard my hon. Friend the Minister for Trade give a definitive answer about a reduction in Turkish yarn imports. Since the hon. Gentleman himself knows as much about the European Parliament as most, I suggest that he takes it up there as well.

South Africa

19. **Mr. Nellist:** To ask the Chancellor of the Duchy of Lancaster what is the current level of British investment in South Africa.

Mr. Alan Clark: Information on the level of United Kingdom direct investment in South Africa is derived from a triennial inquiry conducted by my Department. Based on the latest available results, the book value of United Kingdom direct investment in South Africa, including oil, banking and insurance, was £2,725 million at the end of 1984. Information on portfolio investment by country is not available.

Mr. Nellist: Is not the real figure three or four times that? Despite February's draconian banning of trade unions and other opposition forces, and despite the show trials of Moses Mayekiso, the head of the second largest trade union, and others in South Africa, is not the real reason why the Government refuse to take economic action against the apartheid regime the level of British investment there and the profits from South Africa for British firms, which make donations to the Tory party? Does that not mean more to the Minister and to the Government than the suffering of millions of black workers and their families in South Africa under the detestable regime?

Mr. Clark: I am glad to act as a foil to the hon. Gentleman for one of his favourite star turns in the House. I submit meekly to his familiar diatribe. Encouraging trade with and maintaining current investment already in South Africa will, we believe, help to protect the jobs of the majority of people in that country.

Later——

Mr. Cryer: On a point of order, Mr. Speaker. It will have been within your hearing that in answer to a question the Minister for Trade referred to the so-called European Parliament. May I have your assurance that permission will not be given to Ministers to avoid accountability in this Parliament by referring to that useless talking shop in Strasbourg?

Mr. Speaker: I hear it described variously as the European Parliament or the European Assembly.

BILLS PRESENTED

Solicitors (Scotland)

Mr. Alistair Darling, supported by Mr. John Smith, Mr. Donald Dewar, Mr. Menzies Campbell, Mr. Archy Kirkwood and Mr. Frank Doran, presented a Bill to amend the Solicitors (Scotland) Act 1980; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 13 May and to be printed. [Bill 165.]

Horses, Ponies and Donkeys (No. 2) Bill

Mr. David Amess, supported by Sir Bernard Braine, Mr. David Alton, Mr. Gerald Bermingham, Mr. Harry Cohen, Mr. Robin Corbett, Mr. Stan Crowther, Miss Janet Fookes, Mr. Harry Greenway, Mr. Ken Hargreaves, Mr. Greg Knight and Mr. Allan Roberts, presented a Bill to protect horses, ponies and donkeys against cruel tethering; and for purposes connected therewith: And the same was read the First time; and ordered to be read a Second time on Friday 13 May and to be printed. [Bill 166.]

Dock Labour (Amendment and Limitation)

3.32 pm

Mr. David Davis (Boothferry): I beg to move,

That leave be given to bring in a Bill to limit the provision of rights of registered dockers under the Dock Labour Employment Scheme to the lifetime of those in current employment; to remove from the local and national dock labour boards their responsibilities for recruitment and discipline of registered dock workers, and to provide that, in the absence of a negotiated agreement between the Transport and General Workers Union and the port employers on other matters covered by the Dock Labour Scheme, the Dock Labour Scheme and all other related enactments shall cease with effect from 31st December 1992.

The proposed Bill has three aims. First, it is to stop any further entries in the dock labour register as members who are on the register retire or resign. Secondly, it is to strike out of the current dock legislation those items which cause the worst abuses, particularly on control of discipline and recruitment. Finally and most important, the Bill aims to create a timetable for both sides of the port industry to negotiate an end to the current practices which cripple the industry, and to give us a new industry by the critical date of 1992. In the event of a failure to achieve that, the Bill would lead to the abolition of the dock labour scheme.

The scheme deliberately puts a sword of Damocles over both sides. I shall explain later how there is already a sword of Damocles over dock employers. In that respect the Bill will encourage the development of some measures which Opposition Members have already asked for. On this part of the Bill I am indebted to my right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan) for his ideas.

I can best deal with the problem of discipline by example. In a port on Humberside three years ago a docker was imprisoned, having been convicted of smuggling. When he came out of prison, he was reinstated. It was impossible to dismiss him despite the fact that he had been imprisoned for a criminal offence and that that offence was directly related to his work. That problem is replicated around the country, for example, in cases of theft and other offences. As a result, it is impossible to maintain discipline in the docks, as every docker knows, and, more important, as every customer knows, who then takes his trade elsewhere. The Bill will eliminate that problem.

There are a number of other sad practices that add to the costs of the docks. One of them is known as "bobbing" or, in my constituency port of Goole, as "welting". It is caused by the labour board instructing the docks as to how many people they can employ to do a certain job. The board always instructs too many so that, for example, a Swedish liner service out of Goole has 27 people allocated to it. *[Interruption.]*

Mr. Speaker: Order. The House should give the hon. Gentleman a fair hearing and then we can proceed with the next debate, which is an important one.

Mr. Davis: Those 27 people are never all present. At most, there will be 18, so the customer pays for 30 per cent. of his work force who do not work. That practice must end as soon as possible.

"Ghosting" is the technique whereby dock workers are required to mark people who do not work in the docks. That applies even to non-existent jobs. For example, there is a new cement loading unit at Goole. When a cement ship comes in, the crew attaches a pipe and the ship is emptied automatically. Two dockers are required to "ghost" that process. The customer has to pay for two dockers to do nothing and who may not even be there.

Mr. Eric S. Heffer (Liverpool, Walton): What about safety?

Mr. Davis: The only safety aspect is whether either one of the dockers falls into the dock.

The scheme increases the cost of the industry in competition with Europe. In Rotterdam and Amsterdam, the cost of loading and unloading ships is between £2·50 and £3·50 a tonne. In Britain, it is between £7·50 and £15 a tonne, three to five times as much. It is ludicrous to expect that that will not affect the pattern of trade. That is just the tip of the iceberg.

Mr. Max Madden (Bradford, West): On a point of order, Mr. Speaker.

Mr. Speaker: Order. Not in a ten-minute Bill. I have not heard anything so far that is out of order.

Mr. Madden *rose*——

Mr. Speaker: Order. It is not our convention to raise points of order during the moving of a ten-minute Bill, unless it is a matter of order that requires my urgent attention. I have not heard anything out of order.

Mr. Madden *rose*——

Mr. Speaker: The hon. Gentleman knows our conventions. Ten-minute Bills are not interrupted unless a matter of order requires the attention of the Chair. I have not heard anything that requires my attention as a matter of order and, therefore, I cannot deal with it.

Mr. Madden: It is a matter of order.

Mr. Speaker: I asked the hon. Gentleman on a former occasion whether it was a matter of order for me and it turned out not to be. I shall not take it too well if that happens this time.

Mr. Madden: You, Mr. Speaker, will recall that during the moving of a ten-minute Bill promoted by the hon. Member for Colne Valley (Mr. Riddick) I rose on a point of order and you accepted my point of order. On this occasion, the hon. Member for Boothferry (Mr. Davis) is, according to the Register of Members' Interests, a director of Tate and Lyle. I should have thought that, as that company has a direct interest in the docks and in shipping, it would have been appropriate for the hon. Gentleman to have made known his interest.

Mr. Speaker: Order. It is not necessary to mention an interest during a debate if it is in the Register of Members' Interests. I do not think that the hon. Gentleman has a direct interest in the matter.

Mr. Davis: I am not aware of having any interest to declare in this matter. I shall shorten what I had intended to say to save time. The net effect of the scheme is the destruction of jobs in Britain. More important, it destroys jobs in the poorest and most difficult areas of Britain. Opposition Members claim that they represent such areas.

[Mr. Davis]

In 1992, the Single European Act will be implemented. Yesterday the European Commission published the Cecchini report, which said that between 1·75 million and 5 million new jobs would stem from that Act. Most of those jobs, which will be in Britain, should go to the north-east, the east coast ports, Yorkshire and Humberside and the east of Scotland. Hon. Members who represent those areas should concern themselves with that.

If our ports are competitive, the jobs will go to the areas I have mentioned, but if they are not one of three things will happen. First—and worse—jobs will not be created at all. Secondly, they may go to non-scheme ports such as Felixstowe. Thirdly, trade may be diverted through the Channel tunnel. None of those is in the interests of the north or the north-east.

I should like to quote what the hon. Member for Edinburgh, East (Mr. Strang) said during a Consolidated Fund debate on the dock labour scheme:

"Nothing in the world is sacrosanct. Of course there must be changes and developments, but surely we all want them to be reached on a proper, sensible and agreed basis . . . All the aspects can be negotiated."—[*Official Report*, 10 March 1988; Vol. 129, c. 596.]

I agree with those wise words. My Bill would allow scope for such negotiation. It would allow time for the industry to find its own solution. That time is limited, however, on both sides.

In April 1990, the European Commission's permission to our Government to subsidise compensation schemes runs out. There is no guarantee that that permission will be renewed. That means that dock employers will have, if they have their own interests at heart, to try to get a scheme sorted out by April 1990. There is pressure on them and on the dock unions.

The Bill would create a sword of Damocles and the right conditions for the negotiated outcome which some Opposition Members said that they wanted when we last debated this issue. If Opposition Members really believe that they stand for the interests of the unemployed, and not for vested interests and narrow factions, they will come into the Aye Lobby with us and will not follow the narrow factions into the No Lobby.

3.42 pm

Mr. Eddie Loyden (Liverpool, Garston) *rose*——

Mr. Speaker: Does the hon. Gentleman wish to oppose the Bill?

Mr. Loyden: Yes, Mr. Speaker.

This is another back-door attempt by Conservative Members to wreck the national dock labour scheme. This issue was last debated only on 10 March when the hon. Member for Gravesham (Mr. Arnold) accused me of treating the House to a highly emotional history lesson. There will be a repeat performance today because my perception of the history is not the same as that of Conservative Members.

When I went to elementary school, I listened to a teacher who was showing us a map of the world and said, "All that pink is ours." A nine-year-old said, "If that is so, why is my dad unemployed and why am I in my bare feet?" All the glories of the empire and 1066 and the rest are meaningless. I learned my history from my experience and as a working-class person who worked in the transport industry and as a seaman. The hon. Member for Boothferry (Mr. Davis) lacks such credentials. I declare my interest as a member of the Transport and General Workers Union. I declare that interest readily. I act in the interests of those whom I represent.

Today, Mr. Speaker, you unveiled a bust of the late Ernie Bevin, who was once Foreign Secretary. I disagreed with him on a number of things. As the leader of the Transport and General Workers Union and the architect of the national dock labour scheme, however, I know that he is held in the greatest respect in the minds of dockers and working-class people. *[Interruption.]*

Mr. Eric S. Heffer (Liverpool, Walton): Shut your mouth!

Mr. Speaker: Order. I remind the House that we have a very important debate after this business in which many right hon. and hon. Members hope to take part. Perhaps the hon. Member for Liverpool, Garston (Mr. Loyden) will get on with his speech.

The Conservative party intends to end the security and order that exists in the dock industry. Its consistent opposition to the National Dock Labour Board arises out of its opposition to any protection for workers, and it is part of the Government's continuing attack on the trade union movement and organised labour.

Conservative Members want to see a return to casual labour on the docks. They want us to go back to the pre-1940s when men assembled at the docks to find work but half of whom were sent home without it and without pay. Men worked at the docks into their 70s and 80s because there was no pension; therefore, they had to continue working to live. The misery and deprivation of dockers and their families is fully chronicled. It is disgraceful that Conservative Members should be trying to revert to the days of exploitation of dock workers. They want to end the system that was introduced by Ernie Bevin, which was endorsed by several reports, including that of the Shaw inquiry and the Devlin report in 1964. Devlin recognised that the order that had been established in the ports was beneficial to the industry.

Members of my union who work in non-scheme ports should see through the intentions of Conservative Members. They enjoy their standards and conditions of work because of the national dock labour scheme. Conservative Members, who from time to time praise the non-scheme ports, should speak the truth. They will attack dockers at Felixstowe and at the non-scheme ports if this safeguard is removed, which is the benchmark of the standards that are prevalent throughout the industry.

Hon. Members who want to honour Ernie Bevin—I doubt whether many Conservative Members will want to do so—should recognise what he did in the 1940s in transforming a cruel and inhumane industry into one that gave men dignity and decent standards of life. They should not vote for the Bill but enter the Lobby and vote against the treachery of the Conservative party.

Question put, pursuant to Standing Order No. 19.

(Motions for leave to bring in Bills and nomination of Select Committees at commencement of public business):—

The House divided: Ayes 120, Noes 167.

Division No. 297] **[3.50 pm**

AYES

Aitken, Jonathan	Atkinson, David
Alexander, Richard	Bevan, David Gilroy

Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Boswell, Tim
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brazier, Julian
Brittan, Rt Hon Leon
Brown, Michael *(Brigg & Cl't's)*
Buck, Sir Antony
Butler, Chris
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Mont'g)*
Carlisle, John, *(Luton N)*
Carrington, Matthew
Cash, William
Chapman, Sydney
Clark, Sir W. *(Croydon S)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cran, James
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Dicks, Terry
Dover, Den
Fallon, Michael
Farr, Sir John
Field, Barry *(Isle of Wight)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Fry, Peter
Gardiner, George
Gill, Christopher
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Hargreaves, Ken *(Hyndburn)*
Haselhurst, Alan
Hayes, Jerry
Heseltine, Rt Hon Michael
Higgins, Rt Hon Terence L.
Hill, James
Howarth, G. *(Cannock & B'wd)*
Hughes, Robert G. *(Harrow W)*
Irvine, Michael
Irving, Charles
Janman, Tim
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kilfedder, James
Kirkhope, Timothy
Knight, Dame Jill *(Edgbaston)*
Latham, Michael
Lawrence, Ivan
Lloyd, Sir Ian *(Havant)*
Macfarlane, Sir Neil
Mans, Keith
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maxwell-Hyslop, Robin
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Montgomery, Sir Fergus
Mudd, David
Nelson, Anthony
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Oppenheim, Phillip
Paice, James
Patnick, Irvine
Pattie, Rt Hon Sir Geoffrey
Porter, David *(Waveney)*
Price, Sir David
Raffan, Keith
Redwood, John
Riddick, Graham
Ridsdale, Sir Julian
Rossi, Sir Hugh
Rost, Peter
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Mrs G. *(Norfolk SW)*
Shersby, Michael
Sims, Roger
Smith, Tim *(Beaconsfield)*
Spicer, Sir Jim *(Dorset W)*
Stanbrook, Ivor
Stevens, Lewis
Stokes, John
Taylor, Ian *(Esher)*
Taylor, Matthew *(Truro)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thorne, Neil
Townend, John *(Bridlington)*
Waller, Gary
Ward, John
Warren, Kenneth
Watts, John
Whitney, Ray
Winterton, Mrs Ann
Woodcock, Mike
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Nicholas Bennett and
Mr. Jacques Arnold.

NOES

Adams, Allen *(Paisley N)*
Allen, Graham
Alton, David
Anderson, Donald
Ashton, Joe
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bidwell, Sydney
Blair, Tony
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Callaghan, Jim
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbyn, Jeremy
Cousins, Jim
Crowther, Stan
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham Hodge H'l)*
Dixon, Don
Dobson, Frank
Doran, Frank
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Ewing, Mrs Margaret *(Moray)*
Fatchett, Derek
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fyfe, Maria
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
Gilbert, Rt Hon Dr John
Golding, Mrs Llin
Gould, Bryan
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Haynes, Frank
Heffer, Eric S.
Hinchliffe, David
Home Robertson, John
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Lamond, James
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McWilliam, John
Mahon, Mrs Alice
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Brien, William
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Dawn
Quin, Ms Joyce
Radice, Giles
Redmond, Martin
Reid, Dr John
Richardson, Jo
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Spearing, Nigel
Stott, Roger
Strang, Gavin
Taylor, Mrs Ann *(Dewsbury)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Walley, Joan
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Winnick, David
Wise, Mrs Audrey
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Tony Banks and
Mr. Max Madden.

Question accordingly negatived.

Opposition Day

[11th Allotted Day]

Seamen's Dispute

3.58 pm

Mr. Michael Meacher (Oldham, West): I beg to move,

That this House, noting that the National Union of Seamen is willing to accept binding arbitration and has agreed, subject to safety and reasonable crewing conditions, to accept the P & O proposals if phased over three years, well before the Channel Tunnel becomes operational in 1993, and taking account of the risk to safety for passengers as well as for seafarers from P & O proposals to cut crewing levels by 20 per cent., recruit untrained crews and introduce a fourteen hour shift day, calls upon the Government to use its influence to bring P & O to the negotiating table and to accept binding arbitration to obtain a settlement which will allow all seafarers affected by this dispute to return to work with justice, and to set up an independent inquiry into the impact of the Channel Tunnel on safety standards and the economics of ferry traffic.

Mr. Speaker: I have selected the amendment in the name of the Prime Minister.

Mr. Meacher: The Opposition have called for this debate—and I must state at the outset that we regret that the Government have not seen fit to hold this very important debate in their own time—because we believe that the dispute, which is now in its 14th week, can be resolved only by both sides getting back round the negotiating table. We believe that the maximum parliamentary and public pressure must now be exerted to bring that about.

The origins of the dispute date back to last year when P and O advised the National Union of Seamen that there was a need for rationalisation in Dover to help ferries compete with the Channel tunnel. The NUS accepted that from the start, and it still does. It made that acceptance clear at the meeting in Dover last October between the union's port committee and the P and O chairman, Sir Jeffrey Sterling.

At that meeting, undertakings were given that any rationalisation programme would be phased in over five years to coincide with the scheduled opening of the Channel tunnel in 1993. Only six weeks later, on 4 December, P and O demanded that £6 million and not a penny less should be slashed immediately from the annual wage bill of £35 million. That is a huge cut of 17 per cent.

The P and O proposals involved 400 redundancies plus a package of pay cuts, longer shifts and more days worked. On 2 February crews from all 11 ships of P and O European Ferries held secret ballots on the proposals and decided overwhelmingly that immediate application was not acceptable for safety and other reasons. P and O announced that the changes would be implemented on 4 March and the strike began.

The central point is that, although the proposals are oppressive—and the subsequent option B offered by the Advisory, Conciliation and Arbitration Service and the P and O red book are essentially variants on the same theme—the NUS has been and is now prepared to implement the proposals so long as they are phased in over a reasonable period to take account of safety factors.

At ACAS in March, the NUS said that it would agree to savings of £2 million a year for the next three years giving P and O all that it asked for and the changes could then be introduced steadily and safely. In fact, the NUS has gone even further. It has repeatedly made clear that it is willing to accept binding arbitration and it has been asking for that for 13 weeks. P and O has refused arbitration, rejected ACAS and vetoed negotiations which it broke off after Easter.

P and O has stated its reasons for that stance in its statement which I believe has been circulated to all hon. Members. I want to examine that case. First, P and O states:

"P and O European Ferries Dover makes a totally inadequate return on capital—less than 10 per cent.—and investment in new ships or even major refurbishment is impossible."

That seems to be a rather surprising statement when P and O reported to its shareholders that last year was a bumper year during which its profits nearly doubled to a record £275 million of which no less than £41 million came from passenger ships and ferries. It was such a good year that Sir Jeffrey Sterling felt justified in paying himself an extra £635 a week from that record profit level.

Mr. Jacques Arnold (Gravesham): Will the hon. Gentleman give way?

Mr. Meacher: No. I want to make some progress and get into the case. I will give way later.

If that record figure of profit is not too bad, next year looks even more promising. City stockbrokers Phillips and Drew expect P and O profits to rise next year to £350 million, including £60 million from passenger ships and ferries. That is a 50 per cent. increase in profits in that area. That is hardly the picture of a company with its back to the wall fighting for commercial survival.

P and O also claims in its statement:

"The business faces many future challenges not least of which are the probable loss of duty free sales and the introduction of VAT on passenger tickets, fuel and shipstores in 1992 and the opening of the Channel Tunnel in 1993."

Even if duty-free sales were abolished in 1992 through the implementation of the Single European Act, such a proposal could be vetoed by just one member state.

The EEC Commissioner, Mr. Stanley Clinton Davis, has said that there is little prospect of duty-free sales being abolished. Even if they were abolished, P and O's competitors, Sealink, Sally Line, the short-haul airlines, the hovercraft services and even EuroTunnel, would all be equally affected. There would be no relative loss to P and O. The same argument applies to VAT on tickets, fuel and ships' stores. There is no evidence that that will be introduced. There is clearly no reason why P and O must have the proposals introduced immediately.

P and O also claims in its statement:

"Shore staff have been reduced and savings made in other shore costs. Parallel savings are required afloat and agreement with the officers has been reached. A similar agreement is necessary with the ratings."

That might seem to be a surprising requirement when, according to the Organisation for Economic Co-operation and Development, a British able seaman grade 1 is already now cheaper to employ than his French, Belgian, Danish, Norwegian, West German and Dutch counterparts. Only Greek, Spanish and Portugese seafarers earn less. P and O also claims that wages have risen by 24 per cent. over the past five years, as if that were too large a rise.

The NUS members have received an average annual increase of only 4·5 per cent. a year, which is less than the rate of inflation. Nevertheless, P and O now states that it wants the same agreement with ratings that it has already reached with the officers. I imagine that that may not be too difficult to achieve since NUS ratings must work 24 hour shifts, but officers are required to work only 12 hour shifts.

Mr. Keith Mans (Wyre): Will the hon. Gentleman confirm that seamen from other EEC countries work longer hours and that is why they are paid more?

Mr. Meacher: The hon. Gentleman is wrong. I will spell out the hours worked in detail in a moment. British seafarers are paid less for working longer hours.

P and O also claims in its statement:

"The union has consistently failed to enter into any commitment to change outdated work practices."

Like the statement made by the hon. Member for Wyre (Mr. Mans) a moment ago, the P and O statement is simply untrue. The union has given a commitment to change working practices. P and O has sought to give the impression that there will be a bonanza for seamen. P and O's full page newspaper advertisement, which I am sure that many hon. Members will have seen, refers to

"our offer of between £11,000 and £17,000 per year with up to 243 days off."

That sounds pretty enticing. However, P and O neglects to say that only a tiny number of senior ratings and skilled craftsmen will earn anything like the top figure. P and O also somehow omits to point out what I should have thought was a very relevant point—that the salaries are for a working week of 72 hours.

The 243 days off also sounds very attractive, but is also equally misleading. A seafarer's working shift is twice as long as that of an industrial worker on shore. We must also consider the rest time. Even the allotted six hours of rest may be broken up into two or three different two or three-hour periods and they are punctuated by engine vibration, Tannoy announcements and by any emergency such as safety drills or sickness cover for which the seafarers remain on call.

Contrary to the impression given by P and O, a seaman is already at a considerable disadvantage compared with the average industrial worker in terms of working hours. The ordinary worker ashore spends an average of 42 hours a week at work and enjoys five weeks' annual holiday with weekends and bank holidays off. That is about 2,000 hours at work each year. Before the strike, the P and O ferry worker was working 93 24-hour shifts a year, which is over 2,200 hours a year. P and O is now proposing 122 24-hour shifts a year. That will be over 2,900 working hours a year, nearly 50 per cent. more time spent at work each year than the average industrial worker.

Another consequence of the proposed work system is that P and O seamen will be denied even two weeks' holiday with their families. The maximum period that could be spent ashore under the P and O proposals would be one week. The P and O offer—the company likes to call it an offer—far from being generous, is extremely harsh.

Mr. Jacques Arnold: The hon. Gentleman claims that seamen are being asked to work a large number of hours. What proportion of the 24-hour shifts are they asleep?

Mr. Meacher: The maximum time that is possible for sleep is about five and a half hours. That is the maximum from the time that the seamen leaves a shift until the time that he rises and prepares for the next shift. Anyone who has tried to sleep on board ship with clanking chains, Tannoy announcements and emergencies such as drunks on deck who have to be dealt with will know that it is possible to get only a very small amount of sleep. The hon. Gentleman is making my point. He is emphasising that the proposals are extremely dangerous because of the fatigue that they will generate.

Mr. Dennis Skinner (Bolsover): Will my hon. Friend bear in mind that, when the Government inspectors were sent on 10 May to the Pride of Bruges to check it for safety, they found that there were six seamen short with the necessary marine evacuation escape system certificates. Such is the nature of the reduction in crew members. As a result, it was necessary to bring in six members of the catering staff so that the company could get away with it. The funds of the National Union of Seamen have been sequestrated in the face of that sort of action. It is people like Sterling who should be in court and sequestrated, not the NUS.

Mr. Phillip Oppenheim (Amber Valley): On a point of order, Mr. Speaker. Is it in order for an hon. Member to make such a statement in this debate without declaring that he has an interest? The hon. Gentleman had a cut-price, grace-and-favour flat from the National Union of Seamen without even declaring it in the Register of Members' Interests. The hon. Gentleman makes himself out to be a seagreen incorruptible and yet he has not even bothered to declare that fact.

Mr. Meacher: What the hon. Member for Amber Valley (Mr. Oppenheim) has just said is untrue. If he believes that it is true, I suggest that he says it outside. On the other hand, what my hon. Friend the Member for Bolsover (Mr. Skinner) has said is exactly true. There are appalling consequences for safety to which I shall be referring. My hon. Friend referred to sequestration, and it is true that the NUS's assets have been removed from the union's control. If there were any justice in Thatcherite Britain, the assets of P and O would have been taken away to pay full compensation to the victims of the Herald of Free Enterprise disaster.

One other matter is referred to in the P and O statement with which I must deal. The passage reads:

"The Red Book is a revised and improved offer of the terms and conditions of employment of the ACAS proposal, incorporating certain changes requested by the union and offering an additional £400 per year per man on the Zeebrugge and Boulogne services."

"Offer" is certainly a curious word to use to describe a pay cut for some of up to £25 a week, with 28 days more to be worked each year for no extra money, no guarantee of proper rest periods at sea, no payment for excess hours and 459 redundancies.

It is claimed that there will be an extra payment of £400 a year on the Boulogne and Zeebrugge services. It is curious that P and O neglects to point out that seamen will have to work an extra 700 hours a year to earn that sum at precisely 57p an hour. I wonder how many Conservative Members would accept such an offer.

Both P and O and the Minister have made much of the claim that 60 per cent. of NUS members have accepted the new terms. If that is true, why is it that only two of P and O's 11-ship Channel fleet are now sailing?

Mr. David Shaw (Dover): Intimidation.

Mr. Meacher: I know that the hon. Gentleman is obsessed with intimidation. The tactics of P and O, which are, "You either accept the red book terms or you are sacked", is a form of intimidation in most people's eyes.

To date, less than 12 per cent. of the NUS members are willing to work. Of those who returned the signed red book agreement, the majority wish now to claim redundancy money or had no intention of crossing a picket line. The NUS has sworn statements from no fewer than 260 members who have now retracted their earlier decision to return to work. Several of the original strike breakers have now rejoined the strike. There is no drift back to work. Instead there is a drift back to strike.

The NUS will not and cannot accept immediate implementation of the P and O red book because there are real safety risks involved in the proposals. P and O's recruitment of untrained staff, the reduction of crewing levels by 20 per cent. and the introduction of an 18-hour shift all put at risk passenger safety only 14 months after the Herald of Free Enterprise went down last year.

Under the P and O proposals, if the Herald of Free Enterprise were to sail tonight from Zeebrugge to return to Dover, it would have a crew of only 65 officers and ratings. That would be 15 fewer than on that fateful night last year. Each of the fewer crew members would be required to work substantially longer and more tiring shifts.

It is not only the NUS and the Labour party that are deeply concerned about safety aspects. At the annual P and O shareholders' meeting last week, a shareholder commented on the Herald of Free Enterprise tragedy being dismissed in one or two lines in the annual report. He said:

"I hang my head in shame as a shareholder."

Shareholders should be even more ashamed by the revelation of a Kent constabulary report that during the aftermath of the Zeebrugge tragedy Mr. Peter Ford, the P and O European Ferries chairman, tried to persuade the police to use company figures that showed a higher number of survivors.

Nor is the Secretary of State blameless. Last week he said:

"There have been general inspections of ships and their equipment, carried out in Rotterdam by Department of Transport surveyors. Emergency procedure drills were conducted before the ships left Rotterdam".—[*Official Report*, 5 May 1988; Vol. 132, c. 1016.]

The Secretary of State did not say that those inspections were concerned only with the structural seaworthiness of the ferries and with whether officers and crews possessed the requisite qualifications. The hours which crews are required to work are a fundamental determinant of maritime safety, but they are not regulated by the Department of Trade.

I go further. The Government's amendment to our motion states, among other things, that:

"stringent safety inspections have been carried out by Department of Transport surveyors on the P & O ferries 'Pride of Bruges' and 'Pride of Kent', covering not only the vessels themselves and their equipment, but also the manning arrangements and the training of the crew."

I shall put that statement to the test. Today, I have been given by officers and able seamen a number of examples that I shall pass on to the House. The Department of Transport inspector passed the Pride of Bruges as being fit to sail at the end of last month, even though the forward draught marks were not visible. Those marks are a key safety standard and are vital in checking a ship's stability and its angle in the water. In their absence, stability is checked, I understand, by shoving a stick down the side of the ship.

Only a few weeks after the Pride of Bruges was inspected, a motor-driven lifeboat was launched to give the new crew some experience of lifeboat procedure. It broke down. The lifeboat crew radioed the ship and the other motor-driven lifeboat—and there was only one other—was sent to rescue them. That, too, broke down.

The Government have made specific reference to manning. I ask the Secretary of State to comment on this matter. Although all crew members have a vital life-saving role to play in the event of an emergency, I am informed that on 24 January the P and O vessel the Pride of Dover sailed from Calais to Dover 15 per cent. down on its basic catering staff manning levels despite an almost full capacity passenger load.

I am advised also, as one of the many other examples which have reached my office in the past few days, that bosun Frank Franklin signed off sick from the Pride of Free Enterprise—*[Interruption.]* I suggest that hon. Members listen to these important details. Bosun Frank Franklin signed off sick on 4 March 1987 and he was not replaced. He left the company officially and permanently on 20 may 1987 and was not replaced. On 17 June last year, the muster sheets still listed Frank Franklin as a crew member. That is one of many examples.

Anyone who examines the muster sheets will see that they regularly record people who have been off sick for six or eight months registered as crew members. Indeed, when the NUS met P and O's accountant and managing director at the end of February to examine the fleet's wage bill, it was found that one person who was on long-term secondment and another who was dead were both listed as crew members.

My final examples concern health and safety, for which the Secretary of State has specific responsibility. I know of a case of the deck crew responsible for chaining down the wagons on the car decks complaining last year about exhaust fumes. As nothing was done, they started to wear breathing masks to protect themselves. They were told by P and O to stop wearing the masks because it would alarm the passengers. I am advised also that one reason why crews are sometimes a little slow in closing bow doors—the significance of which will not be lost on anyone—is so that they may enjoy a little more fresh air, and yet the company has still not accepted an NUS request for air conditioning.

Last year, on the Pride of Free Enterprise—which has been renamed the Pride of Bruges—the hydraulic system for closing the inner doors broke down. It was not fixed for two months, until the ship went for a refit. In the meantime, the only way of closing the bow doors was to use block and tackle. Those examples completely belie the complacent and self-satisfied statements to be found in the Government's amendment.

If all the necessary safety inspections had been carried out, how is it that the "Brass Tacks" television programme broadcast a week ago found that the Pride of Bruges—a sister ship of the Herald of Free Enterprise—frequently broke safety rules? Why did it operate last August bank holiday between Dover and Calais with insufficient seamen to man the back-up fire-fighting team? What would have happened if a fire had broken out in those circumstances? Why do ships still sail when indicator lights on the bridge designed to inform officers when the bow and stern doors

are closed frequently malfunction? Why do officers continue to finish shifts over-fatigued, and why were some officers on that television programme frightened to reveal their identities before the camera when discussing the company's safety record?

I come to my first example. If the Secretary of State is so satisfied with his safety inspections, why is it that, according to information I have been given today, which I shall pass on to him, the P and O vessel Viking Venturer sailed from Falmouth to Portsmouth last Sunday night with seven blackleg, unregistered crew who had been recruited via a travel agent in Falmouth which is not licensed to supply labour—breaking all the ship safety rules? It was a shareholder who at the P and O meeting quoted a sentence from the report of Mr. Justice Sheen's inquiry following the Zeebrugge disaster which I shall repeat:

"From top to bottom the body corporate"

—he was referring to P and O European Ferries—

"was infected with the disease of sloppiness."

Even that sloppy Townsend Thoresen management, as it then was, rejected as being unsafe working conditions similar to those which P and O is now trying to enforce. In Townsend Thoresen's submissions to ACAS in January 1986, during a previous dispute with the NUS, it stated:

"Extended hours of work of this magnitude without rest would compromise the safety of the ship and its passengers and crew."

Those were the words of Townsend Thoresen's management two years ago. If that was true two years ago, why is it not true today?

As to the crucial issue of safety, there are two central questions which the Government have always ducked but which the Secretary of State must answer this afternoon. First, why is it that, after the wholesale indictment of the Sheen inquiry on ship safety, P and O has never been prosecuted over its responsibility for the Zeebrugge disaster? It has not even been required to undertake a fundamental redesign of its unsafe, pre-1980 ferries. Secondly, why is it also, if market forces are pushing the ferry companies into choosing between secure business and passenger safety, that the Government will not set up a full inquiry into the economic impact of the Channel tunnel on ferry safety standards? I hope that the Minister will be able to erase suspicion that the Government's reluctance to act on both counts might just have something to do with P and O's contribution of £100,000 last year to Tory party funds.

The Secretary of State for Employment (Mr. Norman Fowler): Will the hon. Gentleman remind the House who is the treasurer of the Labour party?

Mr. Meacher: The treasurer of the Labour party, as the Secretary of State knows very well, is the general secretary of the NUS, Mr. Sam McCluskie. The difference between the relationship of Sam McCluskie with the Labour party and that of Sir Jeffrey Sterling with the Conservative party is that Sir Jeffrey has had a huge pay-off in lack of prosecutions and lack of any investigation into the safety of his ships.

Mr. Fowler: The hon. Gentleman has just made a serious allegation. Is he prepared to repeat it outside the House?

Mr. Meacher: The Secretary of State—[HON. MEMBERS: "Answer the question."] The Secretary of State made an ugly innuendo about Mr. Sam McCluskie. I made a statement about what, to the great majority of impartial observers, would appear to be the relationship between Sir Jeffrey Sterling and the Conservative party. If I am wrong about that relationship and about the fact that there has been no prosecution of P and O for Zeebrugge and no investigation into the safety of P and O ships, and about all the evidence that has been produced today, and if the Secretary of State can give me a convincing and unequivocal statement to that effect, I shall gladly withdraw.

There can be no more classic illustration than this strike of the irrelevance of the Government's anti-union legislation and the damage it has done in preventing the resolution of disputes. The sacking of 2,000 seamen at Dover in the course of an industrial dispute, using a power given to employers nowhere in western Europe apart from in Thatcherite Britain, has not solved the dispute; it has aggravated it. The secondary action law, based on the sham that the issue with P and O is entirely unrelated to the issue with Sealink, when Sealink had made it clear that it would implement the same proposals as P and O, has not solved and cannot solve the dispute; it has aggravated it. Sequestration has not solved and will not resolve the dispute. It has merely opened the way to an uncontrollable rash of unofficial disputes, and it has also aggravated the original underlying issues of the dispute.

If ever there was a need for a Government committed to negotiation rather than confrontation it is now. The sole responsibility for this continuing dispute lies with the intransigence and unreasonableness of P and O. If the Government now wash their hands, Pontius Pilate-like, of their links with P and O and of their responsibilities for safety, they will have shown beyond all doubt that they are much more concerned with union breaking than with the industrial welfare of this country.

Mr. Skinner: On a point of order, Mr. Deputy Speaker. You will have heard the hon. Member for Amber Valley (Mr. Oppenheim) several minutes ago refer to the fact—I see he has snuck out of the Chamber——

Dame Elaine Kellett-Bowman (Lancaster): The hon. Gentleman waited until he had gone out.

Mr. Skinner: The hon. Member for Amber Valley said that I was speaking on behalf of the seamen because I had been living at a flat owned by that union. He said that it was possibly a subsidised or grace-and-favour flat.

I want to place on record the fact that at no time while I was living at that abode was the flat anything other than regulated by the laws of the land—by the rent officer in the appropriate district. Never at any time was the flat subsidised by the NUS. I ask you, Mr. Deputy Speaker, to do now what you would do if such a remark happened to have been made by an Opposition Member, and I ask you to demand that the remarks be withdrawn the moment the hon. Gentleman reappears in the Chamber.

Mr. Deputy Speaker (Sir Paul Dean): The hon. Gentleman has made his point. We must now get on with the debate.

Mr. Jeremy Corbyn (Islington, North): Further to that point of order, Mr. Deputy Speaker——

Mr. Deputy Speaker: Order. I have dealt with the point of order. I remind the hon. Gentleman that this is a very short debate and many hon. Members wish to speak.

Mr. Corbyn: On a point of order, Mr. Deputy Speaker. This is a short and important debate, but the aspersions cast on my hon. Friend the Member for Bolsover (Mr. Skinner) must be dealt with. It is up to you to protect the integrity of the House and to demand that the hon. Member for Amber Valley (Mr. Oppenheim) withdraw his allegations.

4.37 pm

The Secretary of State for Employment (Mr. Norman Fowler): I beg to move to leave out from "House" to the end of the Question and to add instead thereof:

'noting that Government policies have established a sound and stable legal framework for the conduct of industrial relations which has significantly reduced the incidence and impact of disputes; that the National Union of Seamen has rejected various proposals for resolving this dispute; that stringent safety inspections have been carried out by Department of Transport surveyors on the P & O ferries 'Pride of Bruges' and 'Pride of Kent', covering not only the vessels themselves and their equipment, but also the manning arrangements and the training of the crew; believes that the resolution of industrial disputes must be a matter for the parties concerned operating within the law and within their economic circumstances; and condemns acts of intimidation and unlawful secondary action designed to resolve industrial disputes by means outside the law.'.

We have just heard a large number of charges and allegations about safety from the hon. Member for Oldham, West (Mr. Meacher). He made a nasty little speech, adding unsubstantiated allegation to unsubstantiated allegation. My right hon. Friend the Secretary of State for Transport will deal in detail with points that the hon. Gentleman made about the Department of Transport and together we shall try to show that the allegations are simply untrue. We shall also investigate the new allegations made by the hon. Member for Oldham, West, and make public our findings on them.

The hon. Gentleman's first allegation was that Government surveyors found that the crew were short of six certificated persons to operate the marine escape system. I am told that that is untrue and that the surveyor found that there were more than enough certificated persons on board both ships.

We have also heard the charge that the Government's policy is unduly influenced by the interests of P and O. We shall take what the hon. Gentleman said later in his speech as a complete withdrawal of the nasty allegation he made at one stage. The general allegation is also untrue. I found it extraordinary that he should accuse anyone of partiality given that he has shown his own independence by appearing on the picket line of the NUS. We know exactly where his orders come from. In this dispute he is acting as a spokesman of the NUS.

Most significantly, we have heard almost nothing about the unlawful secondary action of the NUS, which has been the root cause of much of the trouble. We have heard little or nothing about its effect on companies such as Sealink and on the free movement of passengers and freight. We have heard little or nothing about the two days of talks at the TUC, in which the NUS shop stewards once again refused to call off their secondary action. We have heard nothing about the Labour party's position on the NUS refusal to observe the law of the land.

The reason why the Government introduced legislation on secondary action was to prevent industrial action from being used as a weapon against those who are not directly involved with the company in dispute. The Government's action has been confirmed by two general elections. In any test of public opinion there is no doubt that the measures that we have taken are supported by the vast majority of the British public. The Labour party promises to scrap that law. That is only one more reason why it will remain firmly anchored to the Opposition Benches.

Mr. Graham Allen (Nottingham, North): I am sure that the House is grateful for the history lesson, but the House, the public and the seamen want to know whether the Government are prepared to intervene to try to bring the dispute to an end.

Mr. Fowler: I am covering that precise point.

We want to know from the Opposition their position on secondary action which is now causing vast difficulty throughout the country.

Mr. Allen: What are the Government going to do about it?

Mr. Fowler: What is beyond doubt is that measures on secondary action—

Mr. Allen: What are the Government going to do about it?

Mr. Fowler: The hon. Gentleman must stop being so pompous. He cannot duck his responsibilities, or those of the Labour party, by such mindless chanting.

The NUS has the right to seek to change the law. There is no question about that. The hon. Member for Oldham, West has the right to promise to change the law. But it must be recognised that no one has the right to refuse to observe the law as it stands. I hope that the hon. Gentleman——

Mr. Malcolm Bruce (Gordon) *rose*——

Mr. Allan Rogers (Rhondda) *rose*——

Mr. Fowler: No, I shall not give way for the moment.

I hope that the hon. Member for Oldham, West will now make it clear that he accepts the law and that he will advise the NUS to lift its unlawful secondary action. I challenge the hon. Gentleman to make the Labour party's position clear.

Mr. Bob Cryer (Bradford, South) *rose*——

Mr. Rogers *rose*——

Mr. Fowler: I shall not give way.

I challenge the hon. Member for Oldham, West to condemn secondary action in Britain.

Mr. Cryer *rose*——

Mr. Fowler: The House and the country will draw their own conclusion.

Mr. Donald Coleman (Neath): On a point of order, Mr. Deputy Speaker. May I draw your attention to the fact that it does this House no good to have more than one hon. Member standing in his place during the debate?

Mr. Fowler: The hon. Member for Oldham, West——

Mr. Rogers *rose*——

Mr. Fowler: No, I shall not give way.

The hon. Member for Oldham, West shows a cringing indifference to the welfare of the British public. The fact is this. Nothing obliged Mr. McCluskie to lead his union into conflict with the law. What has brought the NUS to its present crisis is an obstinate determination to seize, by unlawful means if necessary, what it failed to obtain at the negotiating table.

The law on secondary action is there to protect those who are not involved in a dispute, including companies, from having gratuitous loss or damage inflicted upon them. I must repeat that it is entirely right that such companies should be protected against the reckless and indiscriminate action of a frustrated union.

Mr. Rogers *rose*——

Mr. Fowler: No, I shall not give way.

Nor can it be argued that the NUS has in any sense been caught unawares. The basic injunction banning unlawful secondary action was granted on 1 February, and sequestration was first applied for on 11 February. The union has known for three months precisely what legal risks it was running, and the instructions given to its bank to move its funds showed that it understood the implications of the sequestration imposed on other unions in the past. It has deliberately chosen to disobey the law and it is suffering the penalties which the law provides. It is impossible not to share the views of the judge in the case who said:

"The National Union of Seamen has been flagrantly, repeatedly and gravely in breach of the injunction granted by this court . . . Members and their leaders have only themselves to blame. This is the clearest possible case of deliberate, attempted suicide."

Mr. Rogers: Will the right hon. Gentleman give way?

Mr. Fowler: No, I shall not give way.

The Opposition's motion advances a number of bogus——

Mr. Rogers *rose*——

Mr. Deputy Speaker: Order. The hon. Gentleman must not persist. The Secretary of State has made it clear that he is not giving way.

Mr. Fowler: The Opposition's motion advances a number of bogus arguments, and none is more bogus than the allegations on safety. My right hon. Friend the Secretary of State for Transport will deal at greater length with those matters later, but certain fundamental points have to be made at the outset.

First, safety is an absolute statutory duty. It is an offence to sail boats which are unsafe through undermanning. Moreover, watch-keeping arrangements must be adequate to avoid fatigue. All allegations are investigated and, I repeat, any new allegations will be investigated and offenders will be liable to prosecution.

Secondly, the two ferries plying between Dover and Zeebrugge, the Pride of Kent and the Pride of Bruges, have been exhaustively inspected—not only the vessels themselves and their equipment, but the manning and training of the crew. They must be the most inspected ferries ever to operate from British ports.

Thirdly, it is wholly false to say that P and O operates or proposes to operate with untrained crews. All crews, whatever their tasks, are given training both ashore and on board about their duties in ensuring the safety of passengers in all circumstances.

Fourthly, the suggestion that the P and O proposals involve undermanning which endangers passenger safety is also false. Crew members may be reduced, but essential safety duties governed by Department of Transport standards are covered.

I repeat for the third time that all allegations, including those made months after the event—some of the allegations of the hon. Member for Oldham, West go back to last year—are being and will be investigated. But we all know that safety is not at the heart of this dispute. It is a smokescreen. Indeed, Mr. McCluskie has said time and again that the dispute is not about the substance of the P and O proposals but about their phasing in. He accepts the new arrangements, but questions their timing. That surely gives the lie to the whole safety argument mounted by the Opposition.

The Opposition ask the Government to use their influence to bring P and O to the negotiating table I should remind the House that P and O was at the negotiating table for several months; that it made significant relaxations to its original proposals; that it lifted deadlines on two or three occasions to allow further time for negotiations; that it participated fully in ACAS conciliation activities from mid-March, and that since the beginning of February those negotiations were conducted under the duress of a strike at Dover.

It was not until all those processes had been exhausted and three months of strike endured that P and O put its final—again improved—offer direct to its employees at Dover. The NUS did not put that offer to the membership —there was no secret ballot on that—but sought further concessions. However, more than 1,000 P and O staff accepted the terms and the company was able to restart ferry operations from Dover.

Mr. Stanley Orme (Salford, East): Why does not the Secretary of State recommend that P and O goes to arbitration? As the NUS has accepted, the dispute has gone through a category of developments and we now want that final development; we want the dispute to go to arbitration. Why does not the Secretary of State recommend that?

Mr. Fowler: If the right hon. Gentleman will wait a few minutes, I shall come to precisely that point.

The Government's view—it is one to which the Labour party usually subscribes when in government—is that disputes should be settled by the parties within the law. Even if that were not the position, there is no case whatever, against the background that I have set out, for the Government seeking to intervene as the Opposition suggest.

The Opposition's motion moves from a reference to the negotiating table to binding arbitration, to which the right hon. Member for Salford, East (Mr. Orme) referred. There is an important difference between negotiation and arbitration. In negotiation both parties are able to protect what they consider to be their fundamental interests. No doubt the NUS and P and O did that throughout the prolonged negotiations leading up to the company's letter to its employees on 14 April.

Arbitration takes away that protection and hands over judgment on vital commercial matters to outsiders with no

[Mr. Fowler]

stake whatever in the success or failure of the company. *[Interruption.]* If they want to go to ACAS, there is no problem. Sometimes people are prepared to hand that judgment over, either on an ad hoc basis or as the final stage of an agreed procedure. But the decision whether to do so must remain a matter for the parties, in the light of their own circumstances. It is not a matter for the Government.

Mr. John Prescott (Kingston upon Hull, East): The Secretary of State knows that I was party to some of the discussions, at the invitation of the union and Sir Jeffrey. The dispute was about how the £6 million was made up and how much could be saved. There is a genuine dispute between the NUS and P and O about how the figures were arrived at, although I shall not go into the details now. The NUS said, "Let us go to independent arbitration on the question of the figures. If your figures are right, we shall accept them, but if our interpretation is right, we will not." We are talking not about all the commercial details but about how the figure of £6 million is arrived at. That is the simple issue, but Sir Jeffrey does not want anybody going over any of his figures or subjecting them to discussion.

Mr. Fowler: I know of the hon. Gentleman's interest in and knowledge of this subject. If people are prepared to go to arbitration at some stage, that is a matter for them; it is a decision for the parties concerned. *[Interruption.]* It must be. There is nothing new in what I am saying. That principle was applied by Labour Ministers, too.

The motion also calls for an independent inquiry into the impact of the Channel tunnel on the economics of ferry traffic. There cannot be many people who want yet another inquiry into the Channel tunnel. The history of the Channel tunnel is a history of inquiries. Labour Members are trying to go back to another age in industrial relations. They must recognise that the tunnel is now being built; the decision has been made. It is up to everyone concerned to make decisions accordingly.

One aspect of the dispute that has received too little attention is the fact that it is handing business on a plate to foreign-manned vessels. Surely we all want an effective and competitive British ferry industry. That is not being achieved by the actions in the dispute, which has caused disruption at the ports, now added to by the actions of the lorry drivers. It has caused hardship and inconvenience to the travelling public and financial loss to companies and members of the NUS. Regrettably and indefensibly, it has also given rise to examples of intimidation and arrest. To date, there have been some 103 reported cases of intimidation, threatening phone calls and daubing of houses and about 17 arrests. That should be condemned by both sides of the House.

Mr. Robert Hughes (Aberdeen, North): Will the right hon. Gentleman tell us what he intends to do about the lorry blockade—not by union members but by individuals? What laws apply to those individuals and how does he propose to deal with that situation?

Mr. Fowler: As the hon. Gentleman knows, talks are going on at the moment between Sealink and the harbour board and the lorry drivers affected. If we have further news, we shall convey it to the House as soon as we can.

The Government's role is threefold. First, we must ensure the safety of vessels. I entirely accept that, as does my right hon. Friend the Secretary of State for Transport. Secondly, we must ensure that public order is maintained. Thirdly, we must provide a framework of law in which disputes can be resolved.

We should also be clear where the rights of the public lie in cases such as this. First, there is a right to work without being harassed, intimidated, assaulted or threatened. Secondly, people have a right to make up their own minds whether to strike or cross a picket line. Thirdly, workers have a right to decide whether to sign a contract. Fourthly, everyone has a right to unimpeded access to the ports. There is no right to spread a strike to companies unconnected with the central dispute. There is no right to stop fellow workers going to work or to use force where persuasion has failed. Finally, there is no right to pick and choose which laws to obey. That is why I ask the House to reject the motion.

Several Hon. Members *rose*——

Mr. Deputy Speaker: Order. It will be evident to the House that a very large number of hon. Members on both sides wish to speak in this short debate, so I appeal for short contributions.

4.57 pm

Mr. Frank Doran (Aberdeen, South): I am a new Member of the House, and a major cause of frustration is that in my short time here I have repeatedly seen the Government duck their responsibilities. I thought that we had sunk as low as we could yesterday when the Prime Minister attempted to foist responsibility for the housing benefit cuts on to local authorities, but what we have just heard from the Secretary of State for Employment boggles the mind. He is attempting to deny responsibility—the responsibility of this Government and his predecessors—for changes in industrial relations law which have meant that an industrial dispute no longer starts with negotiation and with the parties round the table. The Government have removed any encouragement to adopt that course. Instead, we have immediate recourse to the courts and to dismissal notices. It is no wonder that the strike has spread across the country.

Regardless of the laws that the Secretary of State attempted to state, in the full knowledge that the Secretary of State for Transport is blind to the safety laws that the country demands, there must come a time——

Mr. Rogers: Selective recognition of the law.

Mr. Doran: It is selective recognition, as my hon. Friend says.

I am worried about the effects that the dispute is having on my constituency. I represent part of the city of Aberdeen, which has a substantial seafaring community. In my constituency there are more than 4,000 registered members of the National Union of Seamen. As far as I am aware, they are all involved in the dispute. There are also a large number of interests that are quite separate from the dispute. The dispute, which started in Dover and which seems to be about the balance sheet of P and O rather than about anything else, is having an effect on the ferry service to the northern islands and has disrupted supplies to the North sea oil industry.

On Monday I travelled to London to come to the House on the same train as a full-time officer of the National Union of Seamen, Mr. Harry Bygate, who is based in Aberdeen. We spent most of the journey looking through the various writs that had been served upon him. He has now received 18 writs from 18 separate supply companies based in Aberdeen and in other parts of the country. Every one of those writs tells its own story. Every one of those writs means that industrial relations in those companies have been disrupted.

I make no apologies for repeating that P and O, Sealink and every other employer now feels that there is no option but to bring the courts into the dispute at the earliest possible stage, as that provides a major strategic advantage. Negotiation has gone out of the window. There is no incentive for an employer to negotiate, whether that employer is at the heart of the dispute, as P and O is, or whether it is a simple, one-man operation attempting to send vital supplies to the North sea industry. Employers now go to the courts.

The Government, by avoiding their responsibility to the wider interests of this country, are ignoring the serious implications for the future. I must express my disappointment that the Secretary of State simply thumped the table, referred to the various statutes for which the Government have been responsible, and ignored the effect of that law on the wider community. The Government make apologies for their own supporters, the chairman and the board of P and O, but ignore the rest of the country. That raises very serious questions.

I shall give the House one example of the way in which P and O has conducted the dispute. The ferry link from Aberdeen to Shetland is vital, as it carries essential goods and provisions to the islands. The National Union of Seamen is very conscious of the effect that any industrial dispute would have on the service to the islands. Last year it negotiated with the Shetland Islands council an agreement to ensure that essential supplies to the island would be maintained. One ferry per week would be allowed to leave from Aberdeen carrying essential supplies.

As soon as the dispute began, the Shetland Islands council was contacted. The NUS agreed that it would allow that one ferry to go and that the wages of the staff would be paid direct to charity. None of the NUS members would receive any payment. They would work voluntarily to ensure that that vital link to the islands was preserved.

P and O was contacted and asked whether it would allow the profits for that trip to be paid to the nominated charity or to a charity of its choice. The NUS was prepared to leave the choice of charity to the Shetland Islands council. The response from P and O was, "No. We want our profits." The whole dispute is about profit. Nothing from P and O, and nothing from the Government, has suggested anything else.

Mr. James Wallace (Orkney and Shetland): The hon. Gentleman has illustrated the position clearly. Undoubtedly, the shipments to Shetland are very welcome indeed. Is the hon. Gentleman aware that in my constituency there is considerable sympathy for NUS members, and considerable scepticism about P and O's case? Will he explain why the case against P and O is jeopardised when secondary action is taken against, for example, the one-man operation in Aberdeen that supplies the North sea oil rigs? Does he not think that that muddies the waters and does not allow the focus to be on the real dispute with P and O?

Mr. Doran: I was coming to that. The hon. Gentleman is quite right to point out that the dispute is with P and O. I am trying to make the point that the dispute has not spread because of secondary action by the NUS, which in my constituency has made its position fairly clear. It stated in court this morning that the action that was taken had nothing to do with the P and O dispute, but occurred because the union's funds were sequestrated. The NUS members have come out because their union has been attacked.

Clearly, the Minister and P and O do not understand the affection in which the union is held. Recently, I was proud to attend the one hundredth anniversary of the NUS in Aberdeen. It was a very moving occasion, when representatives of the city from all walks of life paid tribute to the work of the union.

I have no hesitation in saying that the city of Aberdeen supports the dispute. Last week there was a benefit concert for the NUS which more than 1,300 people attended. *[Interruption.]* My hon. Friend the Member for Glasgow, Hillhead (Mr. Galloway) has reminded me that I should point out that the district council election in Aberdeen was held two days after that concert, and the Labour party took back control.

There is huge support for the National Union of Seamen, and the Government's failure to become involved in the dispute, and the cavalier way in which the Secretary of State dismissed the pressure that the Government could bring to bear on P and O to return to the negotiating table, to allow arbitration and have the claims of both sides independently and objectively tested, show that the Government care nothing for industrial relations. They are concerned for their friends and for profits, and for nothing else. The interests of the British people, the North sea oil industry and industrial relations throughout the merchant shipping industry mean nothing to the Government. They are concerned only with profit and with their friends, and they should be castigated for that.

5.6 pm

Sir David Price (Eastleigh): The hon. Member for Aberdeen, South (Mr. Doran) made a fair point on the extent to which the strike has spread, but he has failed to answer his own question about who is responsible for it.

Let us be absolutely clear that this is not a general industrial dispute between the ship owners, as represented by the British Shipping Federation, and the National Union of Seamen. Nor is it an industrial dispute involving ferries in general. Those who know the industry reasonably well will recognise that the whole method by which ferries are operated is completely different from the method by which deep sea ships are operated. The way of life for the crews concerned is entirely different.

There could be a case for saying that, given the challenge of the Channel tunnel, there might be grounds for a general dispute between crew members, the unions involved and the owners. However, that is not the case. It is an absolutely specific dispute between P and O, European Ferries (Dover) Ltd., and the National Union of Seamen. It does not involve the other ferry companies. Indeed, Sealink, the main competitor to P and O Ferries, has made it very clear that there is no dispute between it

[Sir David Price]

and the NUS. It is worth reminding ourselves that P and O Ferries is no longer a member of the British Shipping Federation. Hence the National Maritime Board is not, and cannot be, involved in the current dispute.

Therefore, the dispute does not of itself raise the issue of how seamen in general are employed, how the terms of their employment are settled, which trade union should represent them, or, indeed, whether they should be members of a trade union. Nor does it raise the wider issue of what is loosely called the closed shop at sea.

Mr. Michael J. Martin (Glasgow, Springburn): Does the hon. Gentleman, with his knowledge of shipping, agree that the fact that the funds have been sequestrated means that the dispute has spread to the deep sea merchant seamen because they will not allow their union to be attacked in that way?

Sir David Price: The dispute is not about that. I am trying to help the House by attempting to define precisely what the dispute is about.

It therefore follows that any industrial action taken against other shipping companies than P and O must, by definition, be illegal secondary action and must be condemned. That appears to be the view of the courts and that is what my right hon. Friend the Secretary of State for Employment confirmed. Consequently I raise the inappropriateness—that is the most modest word that I can use—of the action taken by the National Union of Seamen against Sealink.

Apart from Sealink not being in dispute with the union, it has offered to take on, perhaps only on a temporary basis, some of the seamen who are redundant because of the action taken by P and O. I can think of no less constructive way of attempting to solve the dispute than the action that the NUS has taken against Sealink. I have no personal interest to declare in Sealink. I am looking at the matter objectively. Are the Opposition really able to support some of the wilder demonstrations involving secondary picketing in a dispute that should be confined to P and O Ferries? On many occasions my hon. Friend the Member for Dover (Mr. Shaw) has referred in the House to incidents that do not help to resolve the dispute.

Sealink appears to be on a hiding to nothing. So are the poor old lorry drivers. They have every reason to be angry, but they seem to be completely disregarded by all the parties to the dispute. A number of long-distance lorry drivers live in my constituency. Many other hon. Members will share that experience. Lorry drivers are greatly affected by the dispute. They are the victims of a dispute over which they have no control and to which they are not parties. P and O and the National Union of Seamen ought to think carefully about what is happening to lorry drivers.

Reason and good sense will prevail only when secondary action, with all its consequent overtones, is called off. The dispute is between the National Union of Seamen and P and O. Nobody else is directly involved. My oft-repeated view is that the Floor of the House of Commons is not the right place to attempt to resolve an industrial dispute; nor is it right to attempt to resolve it on television. The speech of the hon. Member for Oldham, West (Mr. Meacher) and the interventions of hon. Members on both sides of the House support my view.

Where should we look for a resolution of the dispute? There are two classic ways to resolve it—by arbitration or by conciliation. Hon. Members know that they are not the same. My right hon. Friend the Secretary of State referred to that distinction and I believe that all hon. Members agreed with him. In theory, both arbitration and conciliation remain available, but both options require the active participation of both parties. To use an old saying,

"It takes two to tango."

If one party to the dispute is not prepared to participate, there is little that one can do about it.

P and O has said that the time has passed for such approaches and that it has made new arrangements with half its work force. Some may say that P and O should be more co-operative, but as half its work force has accepted the so-called red book offer, P and O argues that it does not need to reopen negotiations with the National Union of Seamen. Where necessary, it is recruiting new employees on the basis of the red book offer. In those circumstances, I do not believe that hon. Members have a legal or a moral locus in the dispute other than in the important area of safety, specifically relating to crew manning and crew qualifications. I shall leave it at that until my right hon. Friend the Secretary of State for Transport addresses the House.

Mr. Rogers: Will the hon. Gentleman give way?

Sir David Price: No. I want to make only a short speech because many other hon. Members wish to take part in the debate.

I am using this occasion to offer my personal advice to Jeffrey Sterling and Sam McCluskie. When I was a manager in industry, I was very much involved in many areas of industrial relations that were said to be sensitive, but we never lost an hour, let alone a day or a week, of work through an industrial dispute. I understand fairly well the trade union movement. My first boss, a large, 17-stone Glaswegian engineer, said to me once:

"David, it's often our duty in life to stand on our colleagues' feet, but always resist the temptation to push them down in public."

5.16 pm

Mr. Malcolm Bruce (Gordon): The speech of the hon. Member for Eastleigh (Sir D. Price) was certainly more reasoned in tone than that of the earlier contributions. At the risk of losing any friends that I may have in the House, I must say that the Front Bench speeches displayed the unacceptable faces of both the Labour and the Conservative parties. It became a straight shouting match. Both sides were selective over the facts that they chose to use to promote their arguments. It is important that the facts should be considered in the round.

The hon. Member for Eastleigh referred to secondary picketing. It is not just a legal question. The hon. Member for Aberdeen, South (Mr. Doran) has laid himself open to criticism. Sequestration took place because of secondary picketing. I am not sure that in law it is a defence to say that the subsequent extension of secondary picketing was due to sequestration. Leaving aside the law, secondary picketing seems to me to be a very unwise tactic for the NUS to adopt. The dispute is between the NUS and P and O. To target Sealink is extraordinary because Sealink is a potentially useful ally of the union.

I do not understand why the NUS cannot see that the best way to defeat P and O is for it to have a successful

competitor that can offer additional services. If it were successful, it would keep P and O ships in port and out of operation. That would provide the NUS with a much better chance of pressing its dispute to a successful conclusion. At the least, it would ensure that conciliation and arbitration were used.

I should have liked the hon. Member for Oldham, West (Mr. Meacher) to urge the Dover port committee to listen to the advice of Sam McCluskie. He should have asked for the secondary picketing to be called off and for all attention to be concentrated on the union's dispute with P and O. It is regrettable that the Secretary of State for Employment failed to condemn the intransigence of the P and O management. P and O is clearly intent on becoming a non-union company. It is possibly even paving the way for becoming a non-British company.

In the last two days Government spokesmen have referred to the right of trade unions in Poland freely to organise and pursue their legitimate ends, but quite different speeches have been made by Ministers in the context of the legitimate actions of unions in this country. The P and O management is exploiting a weak union and the law, and it is doing so in such a way as to raise a number of serious questions.

There is evidence that at the meeting of P and O shareholders last week the management did not have the support of all its shareholders. Members will have seen the article in *The Guardian* which said:

"the company was accused of intimidating the workforce, being used as the militant wing of the Conservative party and neglecting safety. The chairman, Sir Jeffrey Sterling, was urged to resign unless he went back to the negotiating table and was even accused of doing more moonlighting than some of the employees he had criticised."

Those criticisms were made by shareholders of the company, but their attempt to raise the issue was ruled out of order. Victor Keegan, the author of *The Guardian* article, asked the pertinent question; should there not have been a secret ballot of the shareholders to find out whether that view had significant support? The point that I am making is that shareholders in P and O are less than happy about the conduct of its management and its intransigence. That is an interesting and relevant development.

Even more to the point, the Secretary of State seemed to imply that he did not see a role for arbitration in resolving disputes. He seemed to suggest that that method of resolving disputes should not apply in this case or in future. When there is intransigence and inability to resolve a dispute, conciliation and arbitration are necessary. It would have been a welcome move if the Secretary of State had at least taken the opportunity to encourage the management to take account of that.

The safety issues that have been raised have been dismissed in a cavalier manner. Representations made to me show that there is real public concern. For the Government to be so offhand when the tragic memory of the Zeebrugge disaster is so fresh in people's minds is alarming. The management of P and O is seeking to ensure that its crews work much longer hours and on a smaller staffing ratio. It has already been made clear that if the new arrangements had been in operation, the Herald of Free Enterprise would have sailed with 15 fewer crew and staff and that they would have been more overworked and more tired than they were at the time of the disaster.

That suggests that there should be independent regulation of staffing methods rather than that being left to the commercial judgment of a management which has already been shown to be severely flawed. In these circumstances, the Government have not given the assurances that would inspire public confidence that they put safety above commercial interest and profit. It seems that they have not learnt the lesson of the Zeebrugge tragedy. The public would have expected the Minister to demonstrate that the Government had done so.

I support free enterprise enthusiastically, but it should be fair. The crucial difference between the approach of my party and that of the Government is that fairness is not of interest to the Government, either in the operation of the market or in the balance between management and employees in the operation of companies. It is extraordinary that the Government do not believe that they have any locus or responsibility in the matter.

It would be helpful if the Labour Front Bench would urge the Dover committee to accept the advice of Sam McCluskie to call off secondary picketing and concentrate on the dispute with P and O, and if the Secretary of State for Transport put pressure on the P and O management to recognise that a negotiated settlement is in everyone's interest if British-owned ferries are to have a constructive future in the strategic interest of ensuring that, as an island nation, we have safe, well-operated, efficient and consumer-satisfying ferry services operating across the Channel.

5.24 pm

Mr. David Shaw (Dover): Thank you, Mr. Deputy Speaker, for calling me in this important debate which concerns my constituency. As always on matters concerning his constituency, my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) is in his place on the Bench beside me. He has followed events closely throughout the dispute. He has been deeply concerned about the intimidation and other threats in his constituency because of the dispute.

As you know, Mr. Deputy Speaker, the conventions of the House prevent my hon. and learned Friend from taking part in the debate, but both he and I wish to thank first and foremost the police who have had a very difficult task throughout the dispute. I visited the police station in Dover to get a briefing on the position. Many policemen have been involved, not just from Kent but from other counties. They have had to work long hours. When missiles were thrown in one incident which started at 1.30 am, policemen who had gone off duty at 11 pm had to be called back. We should not forget that policewomen are also carrying out police duties on the picket lines, and we must thank them as well.

I also wish to pay tribute to all those, striking or not, who work in the ferry industry in Dover and Folkestone. Some 6,000 people work directly in the industry and many more are involved indirectly. About two thirds of them are not involved in the dispute and they want to get on with their jobs. Over the last 30 years the ferry industry in Dover and Folkestone has expanded considerably. Sadly, there have been quite a few strikes; 1985 was a bad year when there were five strikes. Consequently, profitability has been low. Figures supplied by the trade union research unit at Ruskin college, Oxford, show that the profits of P and O today are less than they were 10 years ago. These are the trade unions' own figures. I have them here for any hon. Member who wishes to inspect them.

[Mr. David Shaw]

The changes that will be required in the ferry industry are severe and deep. The Channel tunnel is fundamental to those changes. Also, in 1992 the removal of duty-free goods and Customs barriers will necessitate changes in the ferry industry. Indeed, the trade union research unit report said:

"There can be little argument concerning the need to rationalise the present ferry operations to compete with the tunnel."

The dispute is a tragedy for the working people of Dover and for the shopkeepers and the small business men of Dover and Deal. It is also a tragedy for the lorry drivers whose frustration has resulted in their queueing on the M20. It is a tragedy for people all over the country who have been affected by it. My hon. Friend the Member for Billericay (Mrs. Gorman) has brought to my attention the fact that in her constituency a small transport firm is threatened with being put out of business. Eight families are heavily involved.

Since the strike began I have had considerable contact with all parties in the dispute, including members of the National Union of Seamen and of the National Union of Marine, Aviation and Shipping Transport Officers. As well as speaking to union officials and company representatives, I have talked to shopkeepers, freight companies and others affected by the dispute. There is no question but that many trade unionists were sensible and moderate. Early in the dispute many told me that they did not like the original blue book terms issued by the company in December. Some of the officers thought that those terms were difficult for the crews to operate.

I put those points to P and O which was at ACAS at the time, undergoing the advisory, conciliation and arbitration procedures. ACAS suggested new terms. P and O took on board the points that had been put to me and those put by ACAS. After three months of negotiations and arbitration, the company produced new terms known as the red book. The union then rejected those terms without explaining them to its members.

Mr. Prescott: The members rejected them.

Mr. Shaw: The union rejected them. I shall come to that point in a moment.

The union members raised a number of concerns with me and I am sure that hon. Members will not object if I detain them with some of the detailed points. They wanted to know how long the red book terms would last. I put that point to the company which said that it envisaged that they would last at least two years. That was a reasonable request from reasonable trade unionists who were worried that the terms might be renegotiated in six months.

The union members wanted to know why the basic pay was below National Maritime Board rates, so I put that point to the company. The company explained to me that the rates of pay were between £11,000 and £17,000, of which many people in this country would be envious. However, the hon. Member for Oldham, West (Mr. Meacher) failed to mention that not only is that basic rate of pay payable, but that there is in addition a cash profit-sharing scheme and a shares profit-sharing scheme.

When I put those points to the union members, they asked how the profit-sharing scheme worked. They said that they were not aware of a cash profit-sharing scheme. They said that the union officials had not told them about that scheme. I therefore asked the company how it worked, as any logical and sensible person would do. The company told me that, in North Sea Ferries, part of P and O, where a successful profit-sharing scheme is in operation, it can mean another 30 pay days per year if the company is successful. That is in addition to the shares profit-sharing schemes.

Mr. Gerald Howarth (Cannock and Burntwood): Is my hon. Friend aware that those incentives were not available to ordinary seamen when I was a member of the National Union of Seamen and an employee of P and O in 1965?

Mr. Shaw: My hon. Friend makes a good and valid point. When I go on to mention some of the other terms and conditions, I expect that his mouth will water and that he will wonder why he left shipping and came to the House of Commons.

Many of the men were concerned about the rest periods, just as many hon. Members would be concerned. Is it true, as the Labour party has said in its statements, that men can be required to work for 18 hours non-stop? Of course it is not true. They have 10 hours off and six hours off for sleep are guaranteed, except in emergencies. Out of a 24-hour period, the normal working period would be 14 hours, but that 14-hour period would be broken up by meal breaks and by a sleep break. *[Interruption.]* The men have meal breaks, just as anyone else does.

I discovered that there were other points that the union officials had not explained to their members. Trade union officials told me that the red book redundancies were worse than the blue book redundancies. When I put that point to the company, it said that there were 100 fewer redundancies under the red book terms than there had been under the blue book terms. It is no wonder that there is a strike when the union officials do not properly explain the contracts to their members.

Mr. Prescott: The points mentioned by the hon. Gentleman were spelt out in the document given to the company and distributed to every member who voted on it. In one case, where the members wanted to vote, the owners instructed the courts to intervene to stop the NUS conducting a secret ballot.

Mr. Shaw: I shall deal with the ballot procedures in a moment. Those procedures are very interesting.

At my meeting with the union officials and members, I asked how they would decide whether to accept the new terms, including the good pay and other favourable aspects. They told me that there would be a car park meeting. I asked why they had decided to hold such a meeting. That question was also asked by others, so it was not a case of a Tory MP creating political bias. There were 20 union members—about half of those present at the meeting in Dover—who said that they wanted a secret ballot, although the union insisted on a car park meeting.

Mr. Prescott: The courts stopped them.

Mr. Shaw: No, they did not. I received anonymous phone calls at home, asking why the union would not give its members their dignity by allowing a secret ballot. Then I discovered a letter from the union, dated 22 January, telling its members that there would be a secret ballot. The union proposed a postal ballot to its membership. According to an article in *The Times* of 6 May, the letter stated:

"the outcome of negotiations with the company on new work rotas would be 'placed before the fleet by way of a postal ballot and you alone will decide whether to accept or reject the offer'."

Why did the union not do that? The headline of the letters page of my local newspaper the *East Kent Mercury* asked: "Why wasn't there a secret ballot?"

That is what a seaman's wife who wrote to the paper wants to know. She said:

"Nothing has been said of the fact that there was not a secret ballot at the start of this strike and that at all the open meetings, where there was a show of hands, many of the people there were not even employees of P and O."

Mr. Allen: Read us another one.

Mr. Shaw: The hon. Gentleman wants another letter. The *Dover Express* has another letter for him. Unfortunately, the writer of that letter was too terrified to give details of his or her name and address, but the newspaper is prepared to supply the name and address, if necessary. It asked:

"Isn't it time the union held a secret ballot for its Dover members?"

Those are the letters of ordinary men and women who work on the ferries. Those people want a secret ballot. Hon. Members will wonder what happened in those car park meetings in Dover. Was the 30-page contract discussed? Were all the terms and conditions discussed? Were the £17,000-a-year salaries discussed? I accept that those salaries are at the top of the range, but were the £11,000 to £17,000 salaries discussed? The details were not discussed.

The motion, which I heard myself, was, "Do you think that the company should go back and negotiate more?" One might just as well ask a man whether he has stopped beating his wife. Obviously, if one asks people whether the company should go back and negotiate further, they will say yes, especially in an open meeting surrounded by many people who do not even appear to be employees of P and O. It was a disgraceful meeting in the car park. There should have been a secret ballot.

Mr. Prescott: Why?

Mr. Shaw: There should have been a secret ballot because the hon. Gentleman, who is a member of the NUS, said:

"My trade union actively ballots, in most cases by way of postal ballot, on matters concerning strikes, the election of officials, the political fund—the political fund will now be governed by legislation—and various other matters. In other words, ballots are an integral part of my union.—[*Official Report*, 23 April 1985; Vol. 77, c. 777.]

Why no secret ballot then?

Mr. Prescott: I must tell the hon. Gentleman that he has presented no evidence to support the charges that he is making. It is written in all our union books, and has been for a long time, that we have secret ballots. The newspaper quotation that the hon. Gentleman gave confirms the union's policy. We have ballots at the outcome of negotiations.

Mr. Shaw: The hon. Gentleman has got to do it. If he wants it, let him have it. He must say now—I shall give way to him if he wishes—that he will go to Sam McCluskie and the Dover port committee and ask for a secret ballot.

Hon. Members: Answer.

Mr. Prescott: The NUS has made it clear that, when agreement has been reached in negotiations, the matter will be put to the members in a secret ballot. [HON. MEMBERS: "When?"] When the union concludes negotiations and when Sir Jeffrey Sterling comes back to the negotiating table.

Mr. Shaw: I fear that the hon. Gentleman lacks credibility. Only one secret ballot has been held. I have here the yellow paper on which it was conducted. It shows the terms on which people have accepted work. Some 1,100 have accepted, and 985 of them were audited by the closing date by the treasurer of Kent university, who is generally accepted as independent. The paper says, "I" —there is then a space for the full name and rank—

"apply for employment on the new terms and conditions proposed by the Arbitration and Conciliation and Advisory Service as detailed in the enclosed document."

Mr. Prescott: That is not a secret ballot.

Mr. Shaw: It must be a secret ballot because the forms were carried back to the P and O offices by members of the postal workers union. Unless Opposition Members maintain that communications workers opened the mail, it must have been a secret ballot.

Mr. Prescott: A secret ballot paper does not show a person's name.

Mr. Shaw: I should be grateful if Opposition Members would allow me to continue. I wish to finish to allow others to speak.

The House will want to know some of the terms that are being offered. I spoke earlier of the salaries being offered and of the cash profit-sharing scheme and the shares profit-sharing scheme. There is free travel at least once a year for signatories to the new terms. Duty-free goods are available at special prices. There are other benefits.

The House will be aware that the 24 hours on, 24 hours off service is already operated by other shipping lines. There are many shipping lines which operate around the British coast that work two crews per ship. P and O proposes three crews per ship. That is a change from 3·6 and an improvement on the original blue book terms of 2·4. P and O's main competitor in Dover—Sealink—already operates 24 hours on, 24 hours off terms. Indeed, they were negotiated by the NUS with Sealink two years ago.

I wonder whether my hon. Friend the Member for Cannock and Burntwood (Mr. Howarth), who has experience of working in P and O and was a member of the NUS, had one week's compassionate leave available to him. That is what P and O is putting on offer. This hard-nosed employer, as the Opposition describe it, is making one week's compassionate leave available for anybody who has a relative who dies. I did not get that when I was at work.

The terms cannot be all that bad—1,100 people have accepted and 5,000 more applicants have not been accepted. I hope that my right hon. Friend the Secretary of State for Transport will consider all these factors. There is no question but that safety is paramount. It is not, however, the scaremongering safety that we heard about from the hon. Member for Oldham, West (Mr. Meacher). What he said was unrealistic, unsubstantiated and, for all we know, untrue.

[Mr. Shaw]

The public will want reassurance, as I am sure hon. Members will. I hope that my right hon. Friend the Secretary of State for Transport will be able to confirm what I have been told following my inquiries—that his inspectors have checked and approved the ships, lifeboats, operating procedures and crewing arrangements of each P and O ship that puts to sea.

The hon. Member for Oldham, West frequently talks about the number of crew being reduced. He fails to say that his figures are for the Zeebrugge route and that the main change to that route is that one restaurant is being closed. The majority of the crew he referred to are waiters and waitresses who will not be required because of a restaurant closure.

The House will want to know that the company has assured me that any question about safety that I or any other hon. Member wants to raise with it will be dealt with. The company has assured me that its practice is always to overcrew.

Mr. George Galloway (Glasgow, Hillhead): Will the hon. Gentleman confirm that some of those waiters and waitresses on whom Conservative Members spat and are still spitting their contempt saved lives during the Zeebrugge disaster involving the Herald of Free Enterprise? They are vital members of the crew when accidents or fires occur.

Mr. Shaw: I freely confirm that, in my constituency and in many others, seamen lost their lives and saved the lives of others. They were seamen involved in all aspects of work. They are all important. That is why the company told me, following my inquiry, that it is the practice always to overcrew ships in case somebody goes sick. There are therefore always enough people to man lifeboats and to cope with accidents.

If any examples of that not being the case are reported to me, I shall be happy to investigate and pursue them. I would be the first to shout in the House if that happened, and I have told Sealink and P and O that. I represent a ferry port, as does my hon. and learned Friend the Member for Folkestone and Hythe. It is important to both of us that the ferries are safe, because our constituents work on them, travel on them and earn their livelihoods from them.

One aspect of the terms will make ferries safer than ever before. The company has insisted—it is fundamental to the terms—that no alcohol will be consumed by any crew member on board a ship.

I spoke earlier about the difficulties facing the police. I would like to think that all hon. Members condemn the acts of violence and intimidation. People with weapons have been arrested. There has been damage to somebody's car. A company tie was tied around the windscreen wipers with the message, "Next time, this will be around your son's neck." Missiles have been thrown at coaches. Homes have been daubed with paint. They are not just seamen's homes—an 81-year-widow's home was daubed.

The intimidation is dreadful. Lists of people who are working have been assembled and circulated on picket lines. The subjects then receive telephone calls. A video recording was made of people disembarking the aeroplane when they went to crew ships. The videos were taken because, the union admitted, it wanted to have a record of who was going to work. There have been pickets at coach pick-up points. People are frightened to drive their cars across the picket line, so they have been picked up by coaches. There have been pickets at those pick-up points and one was shown on television saying to a man getting on a coach, "You have got to live in Dover for the rest of your life."

Mr. Andy Stewart (Sherwood): I have been listening carefully to my hon. Friend. Will he convey my constituents' sympathies to his constituents? We endured similar circumstances for 12 months, but in the end right prevailed.

Mr. Shaw: I accept those sympathies on behalf of my constituents. I read the interventions and speeches made by my hon. Friend the Member for Sherwood (Mr. Stewart) during debates on the miners' dispute. It is with annoyance and infuriation that I find some aspects of the miners' dispute being used in the seamen's dispute.

Mr. Prescott: It is the same legislation.

Mr. Shaw: Is the hon. Member for Kingston upon Hull, East (Mr. Prescott) saying that he approves of intimidation at coach pick-up points?

Mr. Prescott: No, I do not; nor does the National Union of Seamen. The police have been in attendance at all those pick-up points and they say that there has been none of the sort of intimidation that the hon. Gentleman mentioned.

Mr. Shaw: The hon. Gentleman must wonder why about 100 acts of intimidation are being investigated by the police and why 17 people have been arrested. If the hon. Gentleman looks at some of the videos on television he will see a member of the National Union of Seamen making such remarks as people get on to coaches. I hope that my right hon. Friend the Home Secretary will ensure that people do not picket coaches as people are getting on them.

Many members of the public are asking why the Opposition's motion does not condemn or mention acts of violence and intimidation. Many members of the public will want to know why speeches made by Opposition Members show no care about 81-year-old widows having their homes daubed with paint in the middle of the night. Opposition Members express care for 81-year-olds only during debates that suit them. Many members of the public are asking why the Labour party called on the labour movement to show solidarity in every possible way. Many of my constituents are wondering what that solidarity meant, particularly as that statement was made following acts of violence and intimidation, which have continued since it was made.

Many people are beginning to ask what the Labour party has done in this dispute. Has it helped to solve it? [HON. MEMBERS: "No."] Has it issued statements condemning violence? [HON. MEMBERS: "No."] Has it supported Sealink employees who have been prevented from working by secondary action? [HON. MEMBERS: "No."] Has it supported the 1,100 seamen who want to work? [HON. MEMBERS: "No."] Has it supported the 700 officers, and their union, who want to work? [HON. MEMBERS: "No."] Has it supported the many trade unionists who want a secret ballot? [HON. MEMBERS: "No."] What has the Labour party done? [HON. MEMBERS:

"Nothing."] No, it has done something. It has used the dispute to fight the leadership election for the Labour party. Eight Labour Members—*[Interruption.]*

Mr. Deputy Speaker: Order. Noise prolongs speeches.

Mr. Shaw: At least eight Labour Members have been on the picket lines. They have been noticed by Labour supporters in my constituency. One may wonder what is happening to those Labour supporters in my constituency. My agent is receiving telephone calls from them and they are saying that they will never vote for the Labour party again.

In 1966 the hon. Member for Liverpool, Walton (Mr. Heffer) used some moderate words and said that disputes should be handled with care and moderation. Why do Labour Members go on the picket lines and use words such as, "War", "Struggle" and "the need for victory"?

The needs of my constituents are to get back to work, to be free to work, to be free of violence and intimidation, to allow our shopkeepers and small business men to return to normal trading and to keep the port of Dover open and the ferry industry going. I hope that the Government will support those needs, because, if they do so, my constituents and those of other hon. Members will benefit and the only losers will be those who do not want a settlement.

5.55 pm

Mr. Tony Benn (Chesterfield): I now understand why P and O put £100,000 into the Tory party. It has received very good value from the hon. Member for Dover (Mr. Shaw). He told the House how he took every query raised by the seamen to the company and took the company's argument back. Apparently, seamen do not need a trade union because the hon. Gentleman will look after their interests, wherever they are in the world. They need only make a telephone call to the hon. Gentleman. P and O made a wise choice in picking the hon. Member for Dover. His speech was quite appropriate for a car park full of readers of *The Sun*, and no doubt those are the people who will follow it tomorrow.

One of the most odious aspects of the debate is that, after all the phoney patriotism of the Tory party about our seafarers during the Falklands war, and all that we as a nation owe to the seafarers who took part in the convoys during the last war, the true interests of seafarers should be treated with such contempt by the party that allows the Union Jack to flutter over its conferences.

We are discussing the safety of passengers, and nothing that has been said or done by Ministers responsible for safety at sea has been adequate, given the loss of life in the Zeebrugge disaster. The manager responsible for the Chernobyl power station was imprisoned following the death of people there, but there has been no appropriate action here, so it is hard to believe that the Government do anything other than share the desire of P and O to maximise its profitability.

When Ministers talk about the right to work—this dispute is about the dismissal of people—it is so hypocritical as not to carry weight with anybody listening outside the House. And if there were a ballot by seafarers on whether they want Sir Jeffrey Sterling to run their company, I have no doubt whatever what the outcome would be.

The debate has a certain quality, because the hon. Member for Eastleigh (Sir D. Price), in his role as a kind manager, tried to warn the Front Bench not to be so provocative. We had "a *Guardian* leading article of a speech" from the hon. Member for Gordon (Mr Bruce). He not only wrote his own speech, but actually read from a *Guardian* article too. He knows quite well that there is sharp conflict in the House, because the two sides take completely different views about what should be done.

Ministers represent P and O and its interests. I understand that they employed Sir Jeffrey Sterling to advise on the anti-union legislation. When he became chairman of the company, he put money into the Tory party and enjoyed the benefits of the legislation that he helped to draft with the assistance of judges, who under our curious system are appointed by the Prime Minister.

The Opposition are closely linked to the National Union of Seamen. That union is affiliated to the Labour party because it wants a voice in the House against the sort of Tory party that is facing us. The hon. Member for Dover made a lot of Sam McCluskie being treasurer of the Labour party. That is true, and we are proud of it, but the National Union of Seamen cannot put money into the Labour party without a conference decision being made. Who held a ballot in P and O to authorise Sir Jeffrey Sterling's decision to put money into the Tory party?

It is also true—and I am proud of it—that the Labour party's national executive committee, with my right hon. Friend the Leader of the Opposition in the chair, was unanimous in passing a resolution supporting the NUS and asking others to support it. My hon. Friend the Member for Oldham, West (Mr. Meacher) went on the picket line as the Front-Bench spokesman and gave great hope to those who wanted to feel that in the House we spoke for them. In addition, my hon. Friend gave a marvellous presentation in the House today of the seamen's case, bringing out the fact that they want arbitration and a settlement of the dispute. It is against that background that the House must consider what is happening.

What is occurring today is the culmination of a long strategy that the Government have followed to attack and, if possible, to destroy trade unionism in Britain. It began with the readiness to spend £5 billion or £6 billion trying to defeat the miners and printers. It was followed by the use of the phoney argument of security to get rid of all the trade unions at GCHQ, under American pressure. How one is safer if a person who was in a union is not a member any more, I have never understood. If a man would give up his union membership for £1,000, I should have thought that that might throw doubt on his commitment to the security of the state. But that was done by threat. Then the Government fully supported Ford in trying to force upon the car workers in Dundee unions which they did not wish to be their representatives.

Now there is full support of P and O and the attempt to destroy the NUS through derecognition by P and O, after a long period of recognition as part of old maritime arrangements. The courts have been used to threaten sequestration if the NUS held a ballot. That has happened after all that we were told about ballots for this and ballots for that. When the NUS wanted a ballot, the judge, no doubt appointed with such an idea in mind, told the union that it would lose its funds if it consulted its members. So much for the hypocritical argument that we heard from the Tory party. The courts have stolen the money that belongs

[Mr. Tony Benn]

to seamen who are not involved in the dispute. The hon. Member for Eastleigh asked why the dispute should not be limited a bit, but the courts, through the legislation that he supports, have stolen the funds contributed by seamen who have nothing whatever to do with the NUS action.

Those are arguments that are understood outside the House. It amounts to the reimposition of the Combination Acts to make effective trade unionism illegal. The key question for us in the Labour party is how to defeat that strategy. None of my hon. Friends who will speak in the debate expects to have any influence on the Tory party, but we must try to point out to our friends who are in struggle how to win that struggle, because Labour Members want the seafarers to win. Their objective is arbitration. But if it is denied, the purpose of my right hon. and hon. Friends is that the seamen should win against P and O. Let there be no question about that.

The answer is that the seamen's victory will depend upon their own efforts. It will not depend upon speeches that are made in the House. We shall be trounced tonight in the Lobby in accordance with the predictions, just as we were with the computer predictions at the previous general election. But the seafarers have the capacity to win. On the radio at lunchtime I heard an hon. Member saying that the time has come for wiser counsels to prevail. That showed that he recognised, as the hon. Member for Eastleigh recognised, that the seafarers have done very well in getting their case over to the public. Victory also depends on the amount of industrial support that is available to them from other unions. Public support is growing. I read about the lorry drivers putting in their penn'orth, which shows that the Government's legislation is not capable of dealing with the situation.

The seafarers will decide how to run their own strike. It is not for anybody in the House to tell them what to do, and court action will not stop them, for one simple reason. When the unions began, they did not have any money to sequestrate in the first place. If the courts steal the unions' money, they will go on without it because, unlike companies, trade unionism is not measured by the bank balance. It is measured by what is in people's hearts when they feel that their cause is right. One can steal their money and take away their offices and typewriters, but one cannot beat trade unionism by court action. It cannot be done in Poland, and it cannot be done here. That point needs to be made.

When trade unionism began, it was illegal. It was established by breaking unjust laws. I know that nobody in the House likes this to be said, because we sit in a little club and pretend that we gave every liberty to everybody from this Chamber. It is not true. That is why we enjoy the right to worship as we like, the right to have trade unions and the right of men to vote. The Prime Minister would not have been Prime Minister if the suffragettes had not broken the law to force women's suffrage.

Mr. John Redwood (Wokingham): Will the right hon. Gentleman give way?

Mr. Benn: I shall not give way because I am coming to the end of my speech. [HON. MEMBERS: "They do not like it."] Of course the Tory party does not like it.

In the end, the five Employment Acts carried through by the Tory party will be repealed, just as the Taff Vale judgment was repealed by legislation, and just as the Trade Disputes and Trade Unions Act was repealed by a subsequent Government——

Mr. Jacques Arnold: On a point of order, Mr. Deputy Speaker.

Mr. Benn: I am not giving way, and it is not a point of order.

Mr. Arnold: On a point of order, Mr. Deputy Speaker. Is it appropriate to have a leadership election speech in this debate?

Mr. Benn: What really frightens the Tory party is that the Leader of the Opposition is leading a completely united party. That is what it is all about.

The Trade Disputes and Trade Unions Act was repealed, and the Industrial Relations Act was repealed. I believe that the seafarers' struggle has a better chance of succeeding than that of the miners or the printers, because many other things have happened in the meantime. A parallel has been drawn with the miners. I tell the hon. Member for Sherwood (Mr. Stewart) that the miners' support groups, established four years ago, are back in action and have been giving money and support to the seamen in their struggle. The printers are doing the same.

Those who watch the Tory party, with its long pretence of fairness, have also seen the Budget, the social security changes, the poll tax and all the other things that have happened.

Mr. Redwood *rose*——

Mr. Benn: I am not giving way. I am in almost my last sentence.

The Tory party has been critical of the trade union movement for a long time. I looked for the root of some of the arguments and found two quotations. The first is about industrial action:

"the real intention was to strike a full blow in the face of the State's authority, against the middle classes and against disciplined order".

The second quotation speaks of the trade union movement as

"being used merely as the battering ram for the class war."

The first quotation is from Mussolini's autobiography, and the second is from "Mein Kampf" by Adolf Hitler.

I said in the House the other day—I invite hon. Members and my colleagues to look at it—that weekend speeches by Ministers and the policies that they follow in respect of the trade union movement can be traced right back to what was said in the 1920s and 1930s in Italy and Germany. Combine that with the attack on the Greater London council and on local authorities, and the court protection to deny us the right to read what Peter Wright wrote in "Spycatcher", and one gets a very clear idea of a Government who are set to undermine democratic rights in this country.

And in the struggle for democratic rights, nobody has done more than the trade union movement to win the rights of working people in industry and to build democracy.

6.9 pm

Mr. James Hill (Southampton, Test): I have never seen a better demolition job done on the Labour party than that done this afternoon by my hon. Friend the Member for Dover (Mr. Shaw). He not only answered every point—

certainly to my satisfaction—but he carried the fight into the enemy camp, and he had some of the heavies in the Opposition reeling from shock. I congratulate him. As an hon. Member representing a Southampton constituency, I have been worried that secondary picketing might slow down the progress of the port of Southampton. This afternoon we have had a difficulty, of course, with the QE2. I have received a telephone message that all the picketing by the National Union of Seamen to prevent the QE2 from sailing this afternoon has been to no avail. It sailed just after 4 o'clock, and is now beginning to make its return journey to New York. The NUS seems to be losing the battle outside the Dover area.

I have a newspaper cutting about the Canberra. The NUS has pleaded with its members on the Canberra to come out on strike. As the Canberra is a P and O liner, one would have thought that the union would have been successful. Even two coachloads of pickets at the entrance to Southampton docks were prevented from succeeding by a heavy police reinforcement. I do not think that the NUS is obeying the legislation when it brings two coachloads of pickets from another area to prevent a ship sailing from the port of Southampton. It is breaking the law.

The NUS does not seem to mind any more. It has had its money sequestered; it has been shut out of its offices; two Opposition Members have lost their flats; and the whole thing is beginning to look rather nasty for some of its members. Nevertheless, it is still prepared to break the law—and breaking the law it is. The NUS is being found out, not only by the majority of the members of the NUS, but by the British public. Think of the hardship suffered by the British public and also the French citizens who are on holiday here.

Damage is also being caused to our export-import industry that uses the Channel ferries. Think how Opposition Members will crow in a couple of months' time when our import and export figures look distorted. They will say that it is the Government's fault. They will not realise that they need look no further than this rather unfortunate deadlock caused by the National Union of Seamen.

There was some plagiarism this afternoon by the hon. Member for Oldham, West (Mr. Meacher). Hon. Members may recall that a presidential candidate in the United States had to resign because he used a speech given by the Leader of the Opposition. Either the hon. Member for Oldham, West wrote the article attributed to Mr. Sam McCluskie in *The Sunday Times* on Sunday or it was written by Mr. McCluskie. I heard the hon. Member for Oldham, West on television and this afternoon, and he said, almost word for word, what was contained in that article under the smiling face of Sam McCluskie. Someone has to be using plagiarism to enhance his own speeches. Will the Opposition tell us who wrote the article?

As an hon. Member representing a Southampton constituency, may I say that the difficulty is that, although we no longer have cross-Channel ferries, the National Union of Seamen has been effective enough to stop cross-Channel ferries at the port of Portsmouth. It is not only causing difficulties for visitors to islands such as Jersey and Guernsey, but also people in the transport industry in carrying out their normal trade. There are many such people in Southampton.

The right hon. Member for Chesterfield (Mr. Benn) said that he was all for complete freedom. He would go on the picket line. He would aid and abet if he could, because that is his way of life and he can see no other way forward. The right hon. Gentleman must realise the terrible harm that would be done if we gave a distorted view to those workers in the NUS or, indeed, to the public.

Mr. Redwood: I was sorry that the right hon. Member for Chesterfield (Mr. Benn) would not take my intervention, because I wanted to clarify whether he was saying that, to further this dispute, members of the National Union of Seamen should break the law, and suggesting that judges were biased. I hope that he will withdraw that remark as it is a damaging slur on the fine tradition of neutrality of the law.

Mr. Hill: I agree with my hon. Friend. In fact, the right hon. Member for Chesterfield went further. He said that the Government were appointing judges who would do their will and would sequestrate the funds of a union without evidence; the judges would be obedient to the Government. The right hon. Gentleman must know that that is nonsense. That is the politics of the 1930s. The right hon. Gentleman must be answered. I hope that an Opposition Member will answer him because he is getting away with a false argument.

Mr. Eddie Loyden (Liverpool, Garston): Will the hon. Gentleman consider the statement made by a judge, that the NUS must stop pussyfooting about? Does not that show clear bias?

Mr. Hill: Am I seriously being asked whether the Government told a judge to make a statement containing the word "pussyfooting"? The judge must be answerable for his own words. However, there is anxiety about the pattern followed after the sequestration of funds. Advisers of Mr. Scargill are now coming to help. A newspaper headline states:

"Striking seamen divert cash to beat asset freeze."

They are trying to circumvent the law. If they think like the right hon. Gentleman, possibly they will justify it. But the law is the law, and they have broken the law. Until they purge their contempt of court and receive their funds back, they will have to stay in this position.

P and O management and the NUS will not get around the table because of straightforward commercial opposition. The law of the land is straightforward. Although the Government have the Arbitration, Conciliation and Advisory Service to bring both sides together, they will not intervene. If both sides are rigidly opposed, they must slug it out to the end. That is the only way to resolve the dispute. As long as the NUS members realise that their union officials are telling them, "Slug it out to the end, lads; we shall win", because that is the name of the game, it will be a slug to the end. However, I think that the cooler and more intelligent reasoning in the NUS —similar to that on the Canberra and QE2—will gradually prevail, and it will be realised that there must be a meeting of minds about the difficulties of 1992, the possibility of VAT, the removal of duty-free goods and the dangers of the Channel tunnel. The two sides must come together. We cannot let almost historic dinosaur-type trade union quotes decide the issue.

6.19 pm

Mr. Eric S. Heffer (Liverpool, Walton): The hon. Member for Dover (Mr. Shaw) made a very interesting speech, but I trust that the public will not take much notice

[Mr. Eric S. Heffer]

of it. He referred to the lack of credibility of my hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott). The hon. Member for Dover suggested that my right hon. Friend the Member for Chesterfield (Mr. Benn) and I were on the picket lines in Dover advocating violence. I was asked by a representative of my local press whether that was true, and I replied, as I cannot reply in this House, that it was a deliberate lie, and that was printed in the local press. I want to make it absolutely clear that no one has been talking about violence on the picket lines. Reference has been made to intimidation. What about the intimidation of workers in the National Union of Seamen who have been told to accept the conditions and sign, or they will be sacked? Is that not intimidation?

The hon. Member for Dover referred to those who had agreed to the conditions and said that 5,000 people had applied for jobs. I am surprised at that. With 2·5 million or 3 million people unemployed in this country, I am amazed that only 5,000 applied for the jobs. I should not have been surprised if 50,000 had applied. The level of unemployment is being used as a weapon against the trade union movement and workers who are trying to maintain decent conditions which they have negotiated over the years.

Mr. Mans: Will the hon. Gentleman give way?

Mr. Heffer: No, I will not give way.

The hon. Member for Dover made several other points. He was kind enough to refer to a speech that I made in the House in 1966 when the National Union of Seamen held an official strike. I recall my speech very well. My Front-Bench colleagues at the time were talking about a small group of politically motivated men running the official strike. I explained that there was another group of politically motivated men and women in No. 10 Downing street. I believed then that the NUS was right, and I have a right to say that.

As my hon. Friend the Member for Kingston upon Hull, East is aware, there was a great unofficial strike in 1960. For my sins, together with the then hon. Member for Bootle, Mr. Simon Mahon, I was asked to be a mediator by the Liverpool Trades Council and the Labour party. We were not asked to mediate between the employers and the union, because the real mediation had to take place between the rank and file of the union and the union leadership.

There was a great surge at the time among the membership. They wanted to create a new union. We said that they should not do that, but should remain in the union and fight to democratise it. They democratised it and made it one of the most democratic unions in this country. They did not need legislation to introduce ballots. They created a democratic organisation and got rid of the leadership, which I believe was in the pockets of the employers at the time. They made it one of the most democratic unions in the country, and that is what it remains.

The hon. Member for Dover referred to the blue book and the red book. I did not see the blue book, but I have seen the red one. If the red book is an improvement on the blue book, God help us. I can understand why NUS members are not prepared to accept the red book. Those who have accepted it have done so under pressure.

Mr. Benn: Pressure of dismissal.

Mr. Heffer: That is right. They are worried about their future.

Do those hon. Members who have never put their hands to any employment believe that the workers go on strike because they want to? Do they honestly believe that workers are only too happy to lose their wages and go home to their wives and say, "I am sorry, love. I am not bringing in any money at the end of the week"? Do hon. Members believe that the workers in this country are stupid?

Mrs. Teresa Gorman (Billericay): No, but the hon. Gentleman is.

Mr. Heffer: I know about this because I have worked in industry and the hon. Lady has not. That is the difference.

Mrs. Gorman: Withdraw.

Mr. Heffer: No, I will not withdraw it, because it is true. I have already received abuse from the hon. Member for Dover and many others.

I watched the faces of people such as Dunlop on television. Anyone who has watched Dunlop on television knows who is backing him. He is being backed by the Government and their legislation. That is the truth of the matter.

The trade union movement and the NUS in particular at this juncture are fighting for their very existence. The trade union movement is threatened by the Government's anti-trade union legislation, which is the worst in Europe and rather like Jaruzelski's legislation in Poland. Conservative Members are brave and support the rights of Polish workers to have trade unions, but when it comes to our trade unions, it is a different story. I believe that Solidarity has a right to exist in Poland. Because I live in this country, I defend the rights of our workers to have the democratic organisation which Conservative Members do not accept and in which they cannot believe.

My hon. Friend the Member for Kingston upon Hull, East answered the point about the secret ballot. The NUS was prepared to have another ballot, but it was taken to court, and that stopped the ballot. Conservative Members are only too well aware of that.

Mr. Rogers: I agree with my hon. Friend that many Conservative Members are neo-Fascists——

Mr. Deputy Speaker: Order. The hon. Gentleman is aware that that is not a parliamentary expression. Please will he withdraw it and say something else?

Mr. Rogers: I understand that to call Conservative Members Fascists is out of order. However, I understand that Mr. Speaker has ruled previously——

Mr. Deputy Speaker: Order. The hon. Gentleman knows very well that he must not argue with the Chair. Will he withdraw the expression?

Mr. Rogers: For the purposes of the debate, and in pursuance of the advocacy of my colleagues, I will withdraw that expression. My hon. Friend the Member for Liverpool, Walton (Mr. Heffer) is aware of the extreme political Right-wing views of Conservative Members. Does he accept that it is sickening hypocrisy for a succession of Conservative Members to claim that the Government will not intervene in the dispute because it is

a commercial issue, while the Prime Minister has on at least six occasions since January met Sir Jeffrey Sterling, the owner of P and O? Is that non-intervention?

Mr. Heffer: I thank my hon. Friend for raising that point. I heard a Minister on the radio this morning discussing the issue with my hon. Friend the Member for Oldham, West (Mr. Meacher). I was not surprised by what the Minister said, but it was remarkable how he repeatedly stated that it was nothing to do with the Government. He said that the Government could not intervene. Previous Tory Governments, even the Heath Government—if I may use that expression—were prepared on occasion to intervene in the national interest. Instead, the Government equate the national interest with the class interest of those whom they represent. That is their national interest. It has nothing to do with any real national interest.

I support the motion. It is not the greatest motion in the world, and it does not necessarily say everything that I would want it to say, but it is important in the sense that it raises all the important issues. It should be supported even by Conservative Members. They should have sufficient interest in the future of the shipping industry to realise that they should support the motion.

I use the Channel ferries regularly when travelling from Dover to France. I use that general term because there are ports other than Calais. I am interested particularly in safety. How can the Government say that they are concerned about safety when the numbers of seamen will be reduced? If they are really concerned about the safety of passengers, they must be concerned also about crew numbers. That must follow if they are to ensure that there is genuine safety. That is the real issue, apart from the future of the National Union of Seamen.

The Government are dodging their responsibility of ensuring that there is safety for the passengers and crews of the future. They are dodging also their responsibility to the shipping industry generally and to the ferries in particular.

Mr. Loyden: My hon. Friend the Member for Oldham, West (Mr. Meacher) talked about seamen working an 18-hour day, and about rest periods. What will be the consequences for safety if seamen work an 18-hour uninterrupted shift? Will my hon. Friend spell out the implications to the House?

Mr. Heffer: I think that my hon. Friend has done that in implied terms in making that intervention. I believe that he is right.

I referred the other day to the port manager of Heysham harbour cutting a rope of the Tynwald with a chainsaw on 30 April while that vessel was berthed at Heysham. I received a written answer from a Department of Employment Minister, part of which I shall read. It states:

"I have been asked to reply. No. The Merchant Shipping Act did not apply to the incident referred. On the information available neither the ship, its crew nor any person ashore were endangered by the action of the harbour master and there was no contravention of any legal requirement."—[*Official Report*, 9 May 1988; Vol. 133, c. *22*.]

I also received a letter from Sea Containers, which was written by none other than the public affairs manager. I shall not quote the entire letter, which I would describe as a whitewash. Part of it reads:

"The Tynwald was secured by six ropes (three at each end of the ship). There are two head ropes, two stern ropes and two spring ropes (one at the forehead and one aft)."

Incidentally, I was being told to suck eggs, because one knows about these matters after working on a line of docks for a long time. The letter continues:

"The port master cut the forehead spring rope and was proceeding to cut the head rope when the ship's master instructed him to stop. The third rope also went slack and then the other ropes were released. The ship moved from one berth to another under its own power and thus this became a normal manoeuvre from berth to berth."

So a normal manoeuvre involves the cutting of ropes. I have never heard anything like it. The Government are not prepared to take action against an illegal act. Their response shows that they consider themselves to be above the law. However, when the NUS takes legitimate action and organises secondary pickets, it is made clear that it is not above the law. That proves our case and makes it clear where the Government stand.

6.35 pm

Mr. Robert Hughes (Aberdeen, North): This has been a debate of some passion. That is understandable because we are dealing with issues of great concern to hon. Members and to those whom we represent. I urge Conservative Members to buy a copy of the tape recording of these proceedings. They should listen to themselves chanting in unison with the hon. Member for Dover (Mr. Shaw). If they do that, they will hear echoes of Nuremberg and they will be ashamed of themselves.

It is regrettable that the Secretary of State for Employment said that he would say nothing new. Unfortunately, that was true. More is the pity. He should have said something new.

There is no doubt that the genesis of the dispute lies in the Channel tunnel. We have all known from the beginning that there would be difficulties. We argued that there should be proper arrangements for the ferries, including competition checks. The Government told us that everything would be sorted out if the issue were left to market forces. That is why we are landed in this mess.

There has been great apprehension in the ferry fleets, and most of it has been stoked up by the owners. They have emphasised the dangers facing the ferries, the number of jobs that will have to go and the problems that will be faced. The apprehension has been fostered by the owners. The NUS understands that changes will be required. There is a general agreement that jobs will have to go, but it is with great reluctance that that has been acceped by the union. We have a dispute because P and O has insisted repeatedly that the changes must take place by March. This has precluded any proper period of phasing.

An emotionally charged issue in an emotionally charged area has been made all the more difficult by the fact that Sealink stepped in and said that, if P and O got its way, it, Sealink, would develop the same conditions. That was a secondary threat. It is not for us to take lessons from Conservative Members on secondary action when threats are being made by other ferry owners.

The problem is compounded by the difficulties that are created by industrial relations legislation. The law has not helped in any sense to stabilise matters. If the parties to an industrial dispute find themselves in the legal arena, there is no sensible way out of it. The Government do not understand solidarity action within trade unions. They do not understand the loyalty of members to their unions. The Government live in ignorance of the fact that

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industrial disputes have their own momentum and dynamism. They refuse to recognise that what is required of them is some form of conciliation and arbitration.

There are those who take a charitable view of the Secretary of State for Employment and say that he would like to be tempted by the forbidden fruit of conciliation but he is afraid to let that happen in case he succeeds, finds that conciliation works and gets a taste for it. He knows that if that happened he would be taken to No. 10 Downing street and sent on a long march to purgatory, either to Northern Ireland or to the loneliness of the Government Back Benches. That is the problem.

There are less charitable people, some of whom are realists. I am one of those realists, and I believe that conciliation is anathema to the Government. They think that the right to manage means that might is right. Their view is that, no matter who is harmed in the process and irrespective of the damage that is done to the nation, industrial disputes must be resolved by a trial of strength. In ordinary circumstances, that would be bad enough, but in this instance the Secretary of State should surely have a restraining influence on the Secretary of State for Employment. His constant theme over the past 14 months —ever since the Zeebrugge disaster—is that safety is paramount. We have been told that safety comes first.

It is a disgrace that, whenever safety has been mentioned this evening, Conservative Members have sniggered or laughed. They did not laugh and snigger 14 months ago when tributes were being paid to seamen for saving lives in the Zeebrugge disaster. They did not laugh and snigger when seamen gave of their best in the Falklands dispute. All of that has been forgotten. Conservative Members did not laugh and snigger either when the "Brass Tacks" programme was mentioned. I concede to the Secretary of State that he has written to me to say that there will be a rigorous inquiry. I hope that it will concentrate on safety. Nowhere in the P and O proposals is there any assessment of the safety aspects of the new crewing proposals. That is not to be found in the red book, in the blue book, or anywhere else.

Nor has there been any assessment of the consequences of fatigue in respect of reaction time. In 1982 the Department of Transport was concerned about fatigue among watch keepers and said that it would study the subject. But nothing has happened since 1982, apart from pious words. Are our memories so short? Have our memories of Zeebrugge been dulled by other disasters? Have our recollections been blunted by the fact that Zeebrugge was followed by the King's Cross disaster, as is suggested in the newspapers today? How can the Secretary of State for Transport be sure that the safety conditions are so good that he can put his name to the Government amendment?

The Secretary of State might do well to look back on his pious words of the day after the King's Cross disaster, and to his complacent remarks about how safety was paramount in London Transport. However, if he reads the inquiry evidence, he will learn that safety conditions were not as he described them to be. In the light of that evidence, the Minister should be more careful about dismissing safety and the dangers of fatigue among seamen.

The Secretary of State must bear in mind that this is not the end of the story, whatever may happen in respect of the P and O dispute. What we are afraid of, and what we cannot afford, is a job auction among ferry operators in the North sea. P and O say that one of the main reasons why it wants to alter crewing conditions is that that will double the company's profits. What will happen in two years? The hon. Member for Dover (Mr. Shaw) gave the game away. He said that at least the deal was available for two years. What will happen after that if P and O and Sealink, as well as other operators, discover that their profits are not as large as they once thought? Will crew members be reduced yet again? Will even longer working hours be imposed on the grounds that it is only efficiency and profit that matter? If the Secretary of State believes that that is the way to deal with matters, he is living in a fool's paradise.

The greatest irony of all is that the ports are being blocked not by the National Union of Seamen or by the Transport and General Workers Union but by freelance truck drivers. They are all friends of Mrs. Thatcher, saying that they do not support the NUS and that they are not in favour of strikes. They say also that they want the dispute to be settled. Had those freelance truck drivers been union members, Ron Todd would have been in court today and the TGWU would have had its funds sequestered. What will the Government do about those lorry drivers? I ask the Secretary of State that question, but he remains silent because he does not know the answer.

If those truck drivers had been TGWU members, practically every newspaper would have carried banner headlines about hooliganism and intimidation. Instead of that—I do not want to overdraw the case—it seems that they are being held up as heroes. The industrial relations law has no relevance or meaning in respect of the way in which those lorry drivers choose to deal with the situation, and we do not know how the Government intend to react.

The lorry drivers are clearly saying that they want negotiations restarted and the dispute settled by discussion and negotiation. That is a common refrain among both lorry drivers and the National Union of Seamen. It is a common refrain even among P and O shareholders. They are also saying that negotiations should be restarted or that the dispute should be sent to arbitration. Everyone is willing to go to arbitration, and certainly the NUS is willing. The only people who appear to be standing back are Sir Jeffrey Sterling and the Government. All the voices that have been raised in this matter and all the newspaper articles are saying that they want the matter to be settled by negotiation. It is true that ACAS has been in touch from time to time during the past 14 weeks. However, there is a significant difference between an ACAS that is working with the enthusiastic support of the Government and an ACAS that is working in the face of sustained Government hostility to conciliation. The dispute could be quickly resolved if only the Government would have the sense to deal with it by conciliation.

Is there anyone in the Cabinet who has the vision and the courage to understand what is happening? Is there anyone in the Cabinet who remembers our debt to the seafarers of the Falklands and Zeebrugge? Is there anyone in the Cabinet with the courage to stand for justice and who appreciates that the dispute can be resolved if only they had the vision to intervene? I hope that someone will be prepared to take up that challenge. If no one in the Cabinet is prepared to do so, I ask the House to take up

that challenge. I ask the House to vote for our motion so that the dispute may be settled in the best possible way, which is by reconciliation and conciliation to the benefit of all those involved, including the seamen and the people of Dover. The House will do a great service to the nation if it passes our motion.

6.46 pm

The Secretary of State for Transport (Mr. Paul Channon): I can start by telling the House some good news, which is pleasing—and it will be particularly pleasing to the hon. Member for Aberdeen, North (Mr. Hughes). The information that I have just been given is that National Union of Seamen members employed on oil rig supply ships will be instructed by their union tomorrow to return to work. I am told that that undertaking was made at Edinburgh quarter sessions today. That is one dispute which will be out of the way, and I hope that it is a precedent for other disputes. As was pointed out by my hon. Friend the Member for Eastleigh (Sir D. Price), the seamen's dispute is with P and O European Ferries and not with other people.

In the short time available to me I shall concentrate on the issue that has dominated practically every speech from both sides of the House, safety, for which I have direct responsibility. Those who are worried about the safety of the present P and O service have voiced three main anxieties. They say that crew numbers are being reduced to unacceptable levels; that untrained crews are being employed; and that crews are being asked to work unreasonably long hours. I can reassure the House on all three points.

The revised crew complement, including officers, for the two ships presently sailing—the Pride of Bruges and the Pride of Kent—complies with all the statutory manning level requirements. Those deal with the numbers and qualifications of officers to be carried on a ship. They specify also the number of crew members to be on board who have to be certificated as proficient in the operation and use of survival craft. They require the owner to ensure that there are sufficient qualified ratings to permit the master and chief engineer to organise the watch keeping arrangement with proper regard to the need for rest periods.

The revised complement meets all those statutory requirements. P and O has sought and obtained from my Department a safe manning certificate that specifies the minimum number of officers and ratings considered necessary for the safe running of the ship. The revised complement complies with the terms of the certificate.

The safe manning of a ship is not just a matter of having the correct number of crew on board; it is also a question of deploying them effectively. That is the crucial point. Therefore, a reduction in manning levels does not lead to a reduction in safety standards. The hon. Member for Oldham, West (Mr. Meacher) reminded the House on Monday that the NUS itself is not opposed to P and O's proposals on reduced manning levels. The disagreement between the company and the union relates to the timetable for achieving those reductions. The union is prepared, over a period of years, to accept reductions. The hon. Gentleman cannot have it both ways. Either the revised crewing arrangements are safe or they are not. If they are safe, as my Department is satisfied that they are, they can be introduced. Delay may be attractive to the NUS for many reasons, but safety is not one of them. If the ships will be safe in three years' time, one cannot argue that safety is the cause of the present dispute.

It has been suggested that untrained crews are being employed. The vessels have the proper complement of qualified officers on board and the requisite number of certificated seafarers, so the suggestion that crews are untrained is wrong. Many crew members have experience in ferries; others are new recruits to P and O but are experienced seafarers.

The hon. Member for Oldham, West criticised the work of my surveyors over the past few days. They have made a comprehensive inspection of each ship and have watched each crew implementing the revised emergency procedures and safety drills: the muster drills, the fire-fighting procedures and the lifeboat drills. The inspections were made and the drills were witnessed before the ships left their lay-up berths in Rotterdam, and the drills were witnessed again when the crews were changed at Dover. On each occasion, my surveyors were satisfied that the requisite numbers of qualified personnel were on board and that they were properly trained in all the relevant procedures. If and when further P and O ships are brought back into service, the same rigorous inspections will be made, so that that form of scaremongering is wholly irresponsible.

I can assure the House that the letter and spirit of the law were complied with; and I can also assure the House that the crews of these ships have proved to my surveyors that they are able to put their training into practice if ever the need should unfortunately arise.

The last anxiety about safety relates to the length of hours worked. As I understand it, the length of shifts worked under the new manning arrangements being introduced by P and O are as follows. Ratings on ferries to Calais work 12-hour shifts. Ratings on ferries to Zeebrugge and Boulogne are on board ship for 24-hour shifts. That, as my hon. Friends have said, is a pattern already in use on cross-Channel ferries on a number of routes. Such ratings usually have 14 hours on duty and 10 hours off. Officers work 12-hour shifts, as they have done for many years.

My surveyors are fully satisfied—this point was made by my hon. Friend the Member for Dover (Mr. Shaw)—that the crewing arrangements permit watch keeping duties to be undertaken without risk of fatigue. Perhaps before finishing with this subject I should remind the House that P and O seafarers spend 24 hours on ship for 122 days a year. They are present at their place of work for the equivalent of two and a half days a week; and they are actually on duty for the equivalent of fewer than one and a half days a week. I leave it to the House to decide whether these arrangements are excessively fatiguing.

Mr. Prescott: They are not true.

Mr. Channon: They are indeed true.

Before leaving the issue of safety, I turn to the references made to "Brass Tacks" and to other criticisms of ferry safety. I wrote to the hon. Member for Aberdeen, North about them a few days ago. A former employee of P and O alleged that one of its vessels sailed last August with a deck crew of 11, against a complement of 17. That allegation is now being fully investigated. I cannot yet say whether it is true or whether any offence has been committed. If an offence has been committed, appropriate

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action will be taken. It is very unfortunate that such an allegation was not made until nine months after the event. The criticisms are serious ones. If they are true, why were they not made earlier? Why were they made in the middle of an industrial dispute rather than a few days after the alleged event? However, the delay will not prevent us from establishing the facts of the matter. They will be fully investigated and I can assure the House that appropriate action will be taken.

The blockade by the lorry drivers is a serious source of disruption, although I hope that the talks today will bring a breakthrough. I can well understand the frustration of the lorry drivers, which my hon. Friend the Member for Eastleigh pointed out. None of us can condone the form that their action has taken. The drivers have made their point. Their action is not helping to resolve the dispute; they are causing an obstruction; and they have been warned by Dover harbour board that legal action is possible.

Above all, truckers, seafarers and all involved in the dispute should reflect on the long-term implications of their actions. The Channel tunnel will be completed in 1993. If transport by road and ferry is to compete with the tunnel, it will have to do so on price and reliability. Do hon. Members imagine that the events of the past few weeks have enhanced the reputation of the ferries or the likelihood of their being able to compete effectively with the Channel tunnel? The House must judge the wisdom of these actions. As my hon. Friend the Member for Eastleigh said, it is doubtful whether a debate in the House during a delicate industrial dispute such as this will help.

Opposition Members stated a number of things over and over again in the debate—especially the right hon. Member for Chesterfield (Mr. Benn). It will be utterly clear to anyone who has heard the debate or who reads reports of it that the Labour party has in no way shaken off its anachronistic view of the British economy. We are no longer living in the subsidised 1970s; we are living in the efficient 1980s. Competitiveness and efficiency count now. These, together with safety, are the features that are required if a public service is to function effectively. No one should be under any illusion about the attitude of the Labour party in the debate. The hon. Member for Kingston upon Hull, East (Mr. Prescott)—we have heard all the Opposition leadership candidates today—has said:

"The whole history of the Labour movement emphasises the need to ally politically with industrial action".

The most alarming feature of the debate has been the irresponsible behaviour of the Opposition. Regular appearances on the picket lines and inflammatory speeches this evening have been their contribution. Do they think that all this will help to achieve a speedily negotiated settlement of the dispute? The right hon. Member for Chesterfield was honest enough not to pretend that the debate would make any difference—he said it would not—and that what happened outside the House was what mattered. However, if anyone is influenced by what we say in the House tonight, I urge hon. Members to face up to their responsibilities when advising people outside the House. The right hon. Member for Chesterfield may not become the leader of the Labour party, but it is clear that his ideas are still prevalent within it on issues of this sort.

This strike and the attitude of the Labour party are living proof that these attitudes have not yet died. As my hon. Friend the Member for Dover pointed out, in the past few weeks at Dover there have been 103 reports of intimidation and 17 arrests. In this debate, not one member of the Labour party criticised that intimidation or suggested that the unions should obey the law. Not one of them believes in the rule of law. Do not the Opposition recognise that people have the right to work without fear or intimidation? The Labour party puts the right to strike above the right to work. It appears that Opposition Members do not believe in the rule of law when it does not suit them. They blame the judges, or anyone else.

The Labour party should stop fuelling the dispute with promises of solidarity or of a special strike fund. The time has come for Opposition Members to use their influence with the NUS to tell it to respect the laws of the land. Why do they not condemn secondary picketing and law breakers? Why do they not condemn the continuation of outdated working practices that cost the nation and workers dear? The Labour party is acting against the interests of those it pretends to represent. I ask the House to reject this ridiculous motion so that we may get a sensible result to the dispute—not one motivated by the outdated ideological ideas of the Labour party, which have been shown so clearly in the debate.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 205, Noes 317.

Division No. 298] **[7 pm**

AYES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Callaghan, Jim
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Fyfe, Maria
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Haynes, Frank

Heffer, Eric S.
Henderson, Doug
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Dawn
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Cyril *(Rochdale)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Wall, Pat
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Winnick, David
Wise, Mrs Audrey
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Alun Michael and
Mrs. Llin Golding.

NOES

Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amery, Rt Hon Julian
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Aspinwall, Jack
Atkins, Robert
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Barnes, Mrs Rosie *(Greenwich)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bevan, David Gilroy
Biffen, Rt Hon John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Bonsor, Sir Nicholas
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carrington, Matthew
Carttiss, Michael
Cartwright, John
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Hon Alan *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Cormack, Patrick
Couchman, James
Cran, James
Critchley, Julian
Currie, Mrs Edwina
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Dover, Den
Dunn, Bob
Durant, Tony
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Fallon, Michael
Farr, Sir John
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Forman, Nigel
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Fry, Peter
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Gilmour, Rt Hon Sir Ian
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon Archie *(Epsom)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Janman, Tim
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
Kilfedder, James
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Sir Neil
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick

Mellor, David
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Morris, M *(N'hampton S)*
Morrison, Hon Sir Charles
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Owen, Rt Hon Dr David
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patnick, Irvine
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Michael
Price, Sir David
Raffan, Keith
Redwood, John
Renton, Tim
Rhodes James, Robert
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speller, Tony
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stokes, John
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thatcher, Rt Hon Margaret
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Robert Boscawen and
Mr. Kenneth Carlisle.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 30 (Questions on amendments)*:—

The House divided: Ayes 305, Noes 217.

Division No. 299] **[7.12 pm**

AYES

Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amery, Rt Hon Julian
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Aspinwall, Jack
Atkins, Robert
Atkinson, David
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bevan, David Gilroy
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Bonsor, Sir Nicholas
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Hon Alan *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Cormack, Patrick
Couchman, James
Cran, James
Critchley, Julian
Currie, Mrs Edwina
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Dunn, Bob
Durant, Tony
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Fallon, Michael
Farr, Sir John
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Forman, Nigel
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Fry, Peter
Gardiner, George
Gill, Christopher
Gilmour, Rt Hon Sir Ian
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon Archie *(Epsom)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howard, Michael
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Janman, Tim
Johnson Smith, Sir Geoffrey
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
Kilfedder, James
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
Macfarlane, Sir Neil

McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Montgomery, Sir Fergus
Morris, M *(N'hampton S)*
Morrison, Hon Sir Charles
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patnick, Irvine
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Michael
Price, Sir David
Raffan, Keith
Redwood, John
Renton, Tim
Rhodes James, Robert
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speller, Tony
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stokes, John
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thatcher, Rt Hon Margaret
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Tristan Garel-Jones.

NOES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Bruce, Malcolm *(Gordon)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Callaghan, Jim
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Fyfe, Maria
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Haynes, Frank
Heffer, Eric S.
Henderson, Doug
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kennedy, Charles
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
Maclennan, Robert
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Dawn
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey

Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Winnick, David
Wise, Mrs Audrey
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Alun Michael and
Mrs. Llin Golding.

Question accordingly agreed to.

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House, noting that Government policies have established a sound and stable legal framework for the conduct of industrial relations which has significantly reduced the incidence and impact of disputes; that the National Union of Seamen has rejected various proposals for resolving this dispute; that stringent safety inspections have been carried out by Department of Transport surveyors on the P & O ferries 'Pride of Bruges' and 'Pride of Kent', covering not only the vessels themselves and their equipment, but also the manning arrangements and the training of the crew; believes that the resolution of industrial disputes must be a matter for the parties concerned operating within the law and within their economic circumstances; and condemns acts of intimidation and unlawful secondary action designed to resolve industrial disputes by means outside the law.'.

Points of Order

7.26 pm

Mr. Gerald Bermingham (St. Helens, South): On a point of order, Mr. Speaker. By way of a written question to the Minister of State, Home Office I raised questions concerning the number of qualified and non-qualified persons employed over various dates in the magistrates courts in each of the petty sessional divisions of England and Wales. Tonight I received, dated 11 May, what might be called an advance copy of the response, on which I had a holding answer on 21 April which merely states:

"I have today written to the hon. Member and a copy of the reply has been placed in the Library."

When one asks a parliamentary question, the object of the exercise is for not only the hon. Member but the public to find out what the situation is. The general public does not have access to the Library of the House of Commons, but over the past few years I have noticed that this practice has grown. If Members of Parliament are to do their job properly, it is only right and proper that the question should appear in *Hansard*. Therefore, I raise this issue as a matter of principle.

Mr. Speaker: I do not think that anything out of order has occurred. I understand that that is done regularly, particularly when lengthy documents are involved.

Mr. Bob Cryer (Bradford, South): On a point of order, Mr. Speaker.

Mr. Speaker: Does it concern the next Bill? I think that we should get on to the Bill.

Mr. Cryer: It concerns the previous debate, Mr. Speaker. When you, Mr. Speaker, were not in the Chair, the hon. Member for Amber Valley (Mr. Oppenheim), on a point of order, suggested that my hon. Friend the Member for Bolsover (Mr. Skinner), in an intervention, had omitted to make a declaration that he was receiving an advantage from the NUS. You, Mr. Speaker, will know that it was uncalled for, untrue and dishonest of the hon. Member for Amber Valley to make that suggestion.

My hon. Friend the Member for Bolsover is not, in the words of the hon. Member for Amber Valley, in receipt of any grace-and-favour advantage from the NUS. The flat in which he has been staying for some time has had a fair rent fixed under the legislation for 14 years. In any event, during the dispute my hon. Friend has not been living in that flat. The hon. Member for Amber Valley suggested that my hon. Friend the Member for Bolsover has been less than forthright about this issue. That is patently untrue and casts doubts on a Member of this House. When doubt of that kind is cast, it is usual for the hon. Member who has cast that doubt to withdraw his comment. I ask you, Mr. Speaker, to require the hon. Member for Amber Valley to withdraw the uncalled-for and disreputable aspersion that he has cast on my hon. Friend the Member for Bolsover.

Mr. Dave Nellist (Coventry, South-East): Further to that point of order, Mr. Speaker. My hon. Friend the Member for Bolsover (Mr. Skinner) is big enough to look after himself, but it would be worth while to look tomorrow at the exchanges in *Hansard* and at the disgraceful allegation by the hon. Member for Amber Valley (Mr. Oppenheim), who used the phrase, "a cut-price, grace-and-favour flat." Had my hon. Friend the Member for Bolsover (Mr. Skinner) been living in a cut-price flat, which clearly he was not, he ought to have been congratulated on saving Parliament money. A Member of Parliament's rent is paid out of the London allowance and any hon. Member who is able to negotiate a cheaper rent for his flat is saving Parliament money.

The hon. Member for Dover (Mr. Shaw) is recorded in the Register of Members' Interests as having 11 directorships and consultancies, including Corporate and Public Affairs Strategy Limited. When I tabled an early-day motion during the Land Rover strike, the hon. Gentleman tabled an amendment that, word for word, was the management's case during the dispute, from which people may draw the conclusion that by means of one of his consultancies he was acting on behalf of the Land Rover management in this place.

That is OK, but then the hon. Gentleman accused my hon. Friend the Member for Bolsover, who has no grace-and-favour relationship with the National Union of Seamen. He is a Member sponsored by the National Union of Mineworkers. He has correctly notified the House of that fact each year since the Register of Members' Interests was compiled. After looking at *Hansard* tomorrow, Mr. Speaker, you ought to require the hon. Member for Amber Valley to make a personal statement to the House withdrawing the allegation and personally apologising to my hon. Friend the Member for Bolsover.

Mr. Nicholas Bennett (Pembroke): Further to that point of order, Mr. Speaker. The hon. Member for Bolsover (Mr. Skinner) is always very quick to demand financial details about other hon. Members——

Mr. Speaker: Order. I do not think that we ought to go into that matter now. I call the hon. Member for Amber Valley (Mr. Oppenheim).

Mr. Phillip Oppenheim (Amber Valley): With your permission, Mr. Speaker, I should like to make a brief statement. [HON. MEMBERS: "Withdraw."] After an intervention earlier today by the hon. Member for Bolsover (Mr. Skinner), I asked Mr. Deputy Speaker, on a point of order, whether it was in order for somebody who had not declared a possible interest—[HON. MEMBERS: "An interest."]—an interest in the National Union of Seamen not to declare it. I stated that the hon. Member for Bolsover had lived in a flat for which he paid a grace-and-favour rent and that later I had found out that the rent was only £18.

Mr. Dennis Skinner (Bolsover): No.

Mr. Oppenheim: Despite the fact that I stayed in the Chamber for some time after making that point of order, the hon. Member for Bolsover chose to wait until I had left before stating that it was not a subsidised rent but that it had been fixed by the rent officer. I suggest that a rent of £18 must have been fixed a long time ago.

Mr. Speaker: That is not a matter on which I can adjudicate. It is not a matter for me.

Mr. Frank Dobson (Holborn and St. Pancras): Further to that point of order, Mr. Speaker. The hon. Member for Amber Valley (Mr. Oppenheim) referred to the rent that had previously been paid by my hon. Friend the Member for Bolsover (Mr. Skinner) as a cut-price rent. He also suggested that he had been failing in his duty to the House by not declaring that he was paying a subsidised rent.

It is improper for the hon. Member for Amber Valley to suggest that my hon. Friend the Member for Bolsover should have registered that rent in the Register of Members' Interests. If, as my hon. Friend the Member for Bolsover says, it was a registered rent, there can be no question of it being a subsidised rent. At the very least, Mr. Speaker, I think that you ought to rule that if it were a registered rent, my hon. Friend should not be expected to declare such a rent in the Register of Members' Interests, otherwise any hon. Member who is paying a rent or who has a mortgage would be obliged to say how much was being paid.

Mr. Speaker: I think——

Mr. Skinner *rose*——

Mr. Speaker: Order. I hope that the hon. Member for Bolsover (Mr. Skinner) will allow me to deal with this point, because I think I can help him. I confirm that, if the rent had been judged to be a fair rent by the rent tribunal, what the hon. Member for Holborn and St. Pancras (Mr. Dobson) said was correct. Last week the hon. Member for Bolsover gave me the reasons why he had moved out of the flat. I am sure that the whole House will agree that the hon. Member for Bolsover is a man of high integrity. I respect the fact that he gave me that information and also the reasons that he gave me for his decision.

Associated British Ports (No. 2) Bill

(By Order)

Order for Second Reading read.

7.35 pm

Mr. Michael Welsh (Doncaster, North): On a point of order, Mr. Deputy Speaker. Hon. Members know that I am not familiar with all the procedures of the House, and on this occasion I seem to have let myself down. The Order Paper reads:

> On Second Reading of the Associated British Ports (No. 2) Bill, to move, That the Bill be read a second time upon this day six months.

As a mere Back Bencher, I thought that six months meant six months. As there was an objection on 28 January, six months from 28 January would be 28 July, not 11 May. If the six months are to run from the day of the Bill's deposit, which was 27 November, that will not be until 28 May, which is a Saturday. I do not suppose that any hon. Member wants to come here on a Saturday to deal with this important business. When a period of six months is given, is it really six months, or can the Government, at their whim, set down business for consideration on any day that they desire?

Mr. Deputy Speaker (Mr. Harold Walker): The setting down of private business is the responsibility of the Chairman of Ways and Means. It is not a Government responsibility. The hon. Gentleman is drawing attention to a motion on the Order Paper, not to a decision. A motion is used as a device to prevent a Bill from being given its Second Reading without debate. The fact that we are having a debate now makes that motion entirely nugatory.

Mr. Martin Redmond (Don Valley): On a point of order, Mr. Deputy Speaker. The Bill in its present form does not seem to me to be acceptable, and I ask for your guidance and advice. The Government are supporting the Bill. I had been led to understand that Governments do not involve themselves with private business. A large number of people in Nottinghamshire, Yorkshire and Lancashire will be affected by the Bill. The EEC turned down an application for grant-aid because the proposal would have an adverse effect on other similar installations. As the Government and many other people are involved, I suggest that this is a hybrid Bill and that it is unacceptable in its present form.

Mr. Deputy Speaker: Of course, the Bill has been, as it must, before the Examiners to ensure that Standing Orders have been complied with. The Examiners reported the Bill to the House on 18 December and were satisfied that Standing Orders had been complied with. The Bill may have effects on a wide section of the community, but that is a matter for debate and a matter to be taken into account by the House when it reaches its conclusion.

Mr. Peter Hardy (Wentworth): On an entirely different point of order, Mr. Deputy Speaker. In fact, I have two points of order, the second having developed from the first. This morning in the post I received a statement from the promoters of the Bill. This seemed to be an act of slovenliness, giving hon. Members grossly inadequate notice. I looked at the copy of "Erskine May" in the Aye Lobby, where I found a relevant paragraph on page 890. I then consulted the appropriate officer. I also consulted the copy of "Erskine May" in the Chamber. The same

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paragraph appears in the edition of "Erskine May" in the Chamber, not on page 890, but on page 969, I also discovered that there was no copy of "Erskine May" in the No Lobby. That is one point of order.

The second point of order arises from the paragraph in "Erskine May" which says:

"If any stage of a bill is proceeded with when the notice has not been duly given, or the proper interval allowed,"—

I ask you, Mr. Deputy Speaker, to pay particular attention to the next words—

"or if notice is taken of any other formality, the proceeding will be null and void, and the stage must be repeated."

I accept that custom and practice weigh heavily in determining the decisions of the House, but I suggest that the custom and practice of promoters of private Bills in not giving Members adequate time to study their statement justifies our suggesting to the Government that they ought not to proceed with the Bill, particularly as hon. Members received the statement from the promoters only this morning.

Mr. Deputy Speaker: I understand that the statement which is often sent by promoters and their agents is purely a courtesy matter. There is no obligation in Standing Orders for them to do so.

As to the difference in various editions of "Erskine May", the hon. Gentleman is a sophisticated and, if I may say so without seeming to flatter him, learned Member. I am sure that he will make the appropriate moves to ensure that in future the "Erskine May" editions are consistent wherever they are available to hon. Members.

Mr. Andrew F. Bennett (Denton and Reddish): On a point of order, Mr. Deputy Speaker. You will recall that some two years ago the House ran into considerable difficulty with a private Bill dealing with the Felixstowe Dock and Harbour Board. That Bill divided the House on party political lines. Because of difficulties when the Bill went into Committee, a special Committee was set up to examine the procedure on private Bills.

Would it not be more appropriate for the Associated British Ports (No. 2) Bill to be delayed until that Committee has completed its deliberations? There is a grave danger that we are starting on another Bill which will involve almost all the same problems as the Felixstowe Dock and Railway Bill. The Government seem to be sympathetic to this Bill because they have sandwiched it between two pieces of business on which there is a three-line Whip. The Government seem to be treating it as another Government Bill in the guise of private business.

We will have difficulty when we look for four hon. Members to sit in Committee in a semi-judicial role. The whole private Bill procedure is being brought into disrepute. The matter was rehearsed on the Felixstowe Dock and Railway Bill. There was a consensus in the House that a special Committee should be set up to examine the procedure. Therefore, it would be better to delay further consideration of this Bill until the report of the Committee is received and acted on, or we may have a rerun of the procedural difficulties on the earlier legislation.

I should have thought that even the promoters would want to avoid the difficulties and the expense that might be incurred. My hon. Friends would no doubt prefer to debate the merits of the Bill as a Government measure, going through the public Bill procedure, rather than using the difficult and arcane procedure for a private Bill.

Mr. Frank Dobson (Holborn and St. Pancras): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: I am not disregarding the point of order raised by the hon. Member for Denton and Reddish (Mr. Bennett), but the point of order which the hon. Member for Holborn and St. Pancras (Mr. Dobson) wishes to raise may also be relevant.

Mr. Dobson: Indeed, Mr. Deputy Speaker, it is closely related to the point raised by my hon. Friend the Member for Denton and Reddish (Mr. Bennett). The House, together with the House of Lords, established a Joint Committee on Private Bill Procedure because of dissatisfaction with various aspects of the existing procedure, but in particular with Bills such as the Associated British Ports (No. 2) Bill which seek to obtain planning permission from Parliament rather than follow the usual procedure which more humble citizens have to follow of seeking consent from the local planning authority.

I understand that the Joint Committee has completed, or is about to complete, the taking of evidence and will report shortly. In the circumstances, Mr. Deputy Speaker, you might be prepared to postpone consideration of Bills through which promoters seek planning permission from us rather than from a local authority. To allow such Bills, including this one, to proceed is likely to bring the House into even more disrepute than the disrepute which rightly poured in on us because of the general conduct and the proceedings on the infamous Felixstowe Dock and Railway Bill, which led to the setting up of the Joint Committee.

The evidence that has been presented to the Joint Committee in this parliamentary Session is not available to hon. Members, but the 1986-87 Joint Committee, which unanimously recommended that in this Session of Parliament we should establish a new Joint Committee to consider the matter further, received evidence from such organisations as the Ramblers Association, the Countryside Commission, the Nature Conservancy Council, the Royal Society for the Protection of Birds and the Open Spaces Society, all of whom argued that promoters of private Bills should in future be required to obtain planning permission from their local authority before coming to the House——

Mr. Deputy Speaker: Order. With respect, the hon. Gentleman knows that we cannot now go over all the matters which we hope the Joint Committee will examine. I hope that the hon. Gentleman will address himself to a point of order with which I can deal.

Mr. Dobson: Even at this late stage, although the Bill is set down for consideration now, as it raises all the issues which caused so much concern before and which seem likely—so I am told—to result in a unanimous recommendation from the Joint Committee that planning permissions by Parliament shall not be permitted in future by way of private Bills, and as there is an abundance of other private Bills which do not seek planning permission, I ask whether you would be prepared to abandon the

business tonight. It is premature for us to consider it, and it would be ridiculous and damaging for us to go through with it.

Mr. Deputy Speaker: I must tell the hon. Gentleman and the hon. Member for Denton and Reddish (Mr. Bennett) that I have neither the authority nor the power to do what they propose. The matters which they have raised can be taken into account in debate. Both hon. Gentlemen seem to be anticipating a debate upon which we have not yet embarked, and equally anticipating its outcome. It might be sensible to await the outcome.

I am grateful to the hon. Member for Holborn and St. Pancras (Mr. Dobson) for drawing attention to the fact that the Joint Committee has been sitting and has, I understand, been doing excellent work. I hope that it will soon be in a position to make recommendations. In the meantime, any right hon. or hon. Member who has proposals to make to the Joint Committee should do so before it completes its deliberations.

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Deputy Speaker. Because of your special position in this matter, would it be true to say that the Committee will change this archaic procedure if representations are made privately—that is right and proper, as you say—and if, at times such as these, representations are seen to be made by hon. Members on both sides of the House? The Government have been able to use this system of private Bills for what could be public Bills in a fashion——

Mr. Deputy Speaker: Order. I alone accept responsibility for the setting down of private business. It is entirely my responsibility. The other business set down for the same day is a matter for the other authorities of the House. I must remind the hon. Gentleman that the previous debate was on an Opposition day. The business was set down by the Opposition. We cannot now seek to replicate matters that have been considered by the Joint Committee.

Mr. Frank Haynes (Ashfield): On a point of order, Mr. Deputy Speaker. I do not want to draw you into my point of order, but I recognise that you, as Chairman of Ways and Means, are responsible for putting the Bill on the agenda and having it considered tonight. However, putting that aside, I smell a rat. You must hear my point of order.

The Secretary of State for Energy, that silver-haired and silver-tongued gentleman who stands at the Dispatch Box when we debate energy matters, is knocking around in the precincts of the House. I know what he is here for. We have been set up. I know what the Bill means and you, Mr. Deputy Speaker, as a Yorkshire man, know what it means. There is something going on here, and I do not like what I smell.

The Government Chief Whip is present. He does not often attend debates on private Bills. The Government are on the move and backing this Bill to push it through. They have a payroll vote tonight. They have done that before, and they are doing it again tonight—make no mistake about it.

I do not want to fall out with you, Mr. Deputy Speaker. I simply want to say that there is a rat running in this Chamber. That is what it is all about. So far as the Government are concerned, the Bill is——

Mr. Deputy Speaker: Order. I have given the hon. Gentleman a good run, but he has not come to a point of order for me. All this business of rats and smells is not the responsibility of the Chair.

Mrs. Ann Clwyd (Cynon Valley): On a point of order, Mr. Deputy Speaker. I have some knowledge of the matters under discussion, although not of the substance of the Bill. My hon. Friends are right to smell a rat. They also smelt a rat in connection with the Felixstowe Dock and Railway Bill, and they were right to do so. With that Bill, the company was eventually forced to offer a champagne party in the House.

I was a member of the Committee that considered that Bill, Mr. Deputy Speaker, and you were most helpful and gave us a great deal of advice. I remember that well because I was profoundly worried about the pressure that was being put on hon. Members considering the Bill. There was no doubt that the Felixstowe Dock and Railway Company, which I believe was at that time paying about £60,000 a year towards——

Mr. Deputy Speaker: Order. The hon. Lady knows that we cannot keep running back to that Bill. She need not remind me about it. I shall never forget it. However, we should now be dealing with the Associated British Ports (No. 2) Bill.

Mrs. Clwyd: I am a member of the Joint Committee that is considering the reform of the procedure. By the summer we will have produced a report suggesting various reforms. It would, of course, be improper for me to reveal the contents of that report, and I am sure that the House would not expect me to do so. However, I do not think that I shall be stepping out of line if I say that we have taken a great deal of evidence from those who profit from the procedure and from those who are concerned about the abuse of the procedure and believe that it should more properly be the substance of a planning inquiry and not be brought in through the back door, as so often happens.

You will remember that Disraeli—perhaps I should say that you will not remember——

Mr. Deputy Speaker: Order. With respect, I do not see how Disraeli can be brought into a point of order.

Mr. Barry Porter (Wirral, South) *rose*——

Mr. Deputy Speaker: Order. Perhaps we should let the hon. Lady conclude her point of order.

Mrs. Clwyd: As I said, Mr. Deputy Speaker, I would not want to reveal the contents of the report to Parliament, but there is no doubt that many people are worried about the misuse of the present procedure. In 1841 Disraeli said that the procedure should be reformed. It has taken almost 150 years.

Mr. Deputy Speaker: Order. The hon. Lady knows better than anyone in the House that we have set up machinery to do precisely what she is urging should be done. Perhaps we should now allow another hon. Member to speak.

Mr. Barry Porter: On a point of order, Mr. Deputy Speaker. We have all had a little fun, but Opposition Member's tactics are clear. Is it not time to ensure that we proceed with this important debate, as it is in your power to do? Although I am always willing to listen to the hon. Member for Cynon Valley (Mrs. Clwyd), I should much

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prefer to hear her views on this matter in private. Although this is amusing, there are people in the Gallery listening to the debate who wish to hear the essence of the debate and the detailed arguments, rather than the comic procedure that we have had to put up with so far.

Mr. Deputy Speaker: The hon. Gentleman is right.

Mr. Michael Brown (Brigg and Cleethorpes): Under the Transport Act 1981, the former British Transport Docks Board, which is a nationalised undertaking——

Mr. Dobson: On a point of order, Mr. Deputy Speaker. This is a genuine point of order on which I seek your ruling. It is related to Member's interests.

Under Standing Order No. 120, which governs the conduct of private business, hon. Members serving in Committee on an opposed private Bill must sign a declaration that they have no personal or constituency interest in the matter. The Bill is asking us to take over in part the functions of the local planning authority.

Mr. Deputy Speaker: Order. The hon. Gentleman must know that the Second Reading motion has not even been moved yet, let alone decided upon. These are matters of which the House is well aware. I think the House will ensure that the Standing Orders are complied with when, if the Bill receives a Second Reading, a Committee is set up. Perhaps the hon. Gentleman ought to defer such a point of order until it becomes relevant.

Mr. Dobson: I was referring to the procedure governing the Committee, because it is an indication that Parliament, in its wisdom, is concerned about the declaration of interests generally. We do not need a Second Reading debate to tell us—it is spelt out on the face of the Bill—that we are being asked to give planning permission. What I am asking you to do, Mr. Deputy Speaker, is to rule that, as Parliament requires that hon. Members must, when they talk on these matters, declare their interests publicly, in these peculiar circumstances——

Mr. Deputy Speaker: Order. We cannot precede every debate in the House with a rehearsal of the relevant Standing Orders and the expression of the hope that hon. Members who take part will comply with the Standing Orders. We assume that hon. Members, being honourable and intelligent, will comply with the Standing Order. Points of order become relevant when there is a breach of those Standing Orders.

Mr. Michael Brown: Although Associated British Ports is owned by a holding company——

Mr. Gerald Bermingham (St. Helens, South) *rose*——

Mr. Deputy Speaker: Order. I think that we have heard sufficient points of order. We have had 30 minutes of points of order and I am not prepared to take any more at this stage.

Mr. Brown: Associated British Ports has, since its privatisation, established for itself——

Mr. Bermingham *rose*——

Mr. Deputy Speaker: Order. The hon. Gentleman was called at the very beginning of the time spent on points of order. I am not prepared at this stage to take any further points of order. I hope that the hon. Gentleman will not persist in challenging my ruling.

8.3 pm

Mr. Brown: I beg to move, That the Bill be now read a Second time.

Since its privatisation, Associated British Ports has established an excellent record of profitability, growth and well-planned investment. I served with the hon. Member for Holborn and St. Pancras (Mr. Dobson) on the Standing Committee which considered the Transport Bill in 1981. The 1981 Act brought Associated British Ports into existence. I remember the hon. Gentleman rightly making a lot of play of his opposition to the transfer of the old British Transport Docks Board into a private company because he felt that the change would starve ABP of investment.

I am delighted to be able to advise the hon. Gentleman that the ports of Immingham and Grimsby, which I have the pleasure to represent—in conjunction with the hon. Member for Great Grimsby (Mr. Mitchell)—have, since being in the hands of ABP, gone from strength to strength. In 1987-88, about 30·9 million tonnes of cargo passed through Immingham. The hon. Gentleman, and his colleagues who represent the Opposition on transport matters, will recall that section 9 of the Transport Act 1981 requires ABP to provide such port facilities as it thinks necessary.

Mr. Redmond: Will the hon. Gentleman give way?

Mr. Brown: I shall not give way at this stage as it is only right that I should put the arguments in favour of the Bill on the record.

Part I is formal and is in well-precedented terms. It deals with definitions and incorporates, with modifications to suit local conditions, provisions found in public Acts which are usually applied by private Acts.

Part II would empower ABP to acquire compulsorily land or rights inland to construct the proposed works, which are in part III.

Part III seeks the authority of Parliament to construct marine works. This is the central purpose of the Bill. ABP wants to construct port facilities which are perceived to be needed to cater for the continuing trend towards larger and more cost-effective vessels.

Mr. Redmond: Will the hon. Gentleman give way?

Mr. Brown: Perhaps I may set out the main purpose of part III first, as I suspect that it is on that that the hon. Gentleman will want to express a view.

Associated British Ports must provide for the new larger vessels if it is to remain competitive. Because the works are to be constructed in tidal water, Parliament's consent, as opposed to the local authority's consent, is required. Clause 8 sets out the proposed works, and clause 16 describes the proposed extension of the harbour limits at Port Talbot.

Works 1, 2, and 3 are intended to create a new facility for dry bulk cargo in the river Humber near Immingham, which is in my constituency. Work 1 comprises a jetty and jetty head. Work 2 is a secondary jetty designed to give additional access to the jetty head. Work 3 consists of

reclamation landwards of the jetty head to provide additional back-up land in line with the anticipated increase in use of the jetty complex.

The port of Immingham is one of the busiest and most successful in the country. It currently handles some 30·9 million tonnes of traffic each year. That very success sometimes leads to congestion in our enclosed dock system. Many of the cargoes that are presently handled in the enclosed dock could be handled more efficiently if the proposed jetty were built.

Mr. Hardy: The hon. Gentleman says that there is congestion in the port and I would not dispute that. Will he confirm, however, that the Humberside Port Owners Association is not in favour of the Bill?

Mr. Brown: I am not able to confirm or deny that. The point of the work, however, is to overcome the problem of the constraint of lock gates. The purpose of the Bill is to enable larger ships which carry dry bulk cargoes to be handled without the constraints of the enclosed dock. The congestion that sometimes arises is caused by the dock gates, and a jetty would get over the problem.

The cargo that ABP anticipates could be handled are pyrites, ferrous sulphate, clay, iron ore, sand, rutile, illmenite, soda ash, petroleum coke, coal, titanium slag, grain and ferro alloys. I am aware that some hon. Members on both sides of the House are worried about the Bill, but I shall try first to express my views and those of the promoters on the technical aspects of the Bill. Some hon. Members may not have had an opportunity to consider them.

Mr. Eddie Loyden (Liverpool, Garston): Do I take it that the hon. Gentleman is talking about a jetty which will be subjected to the full range of tidal movements?

Mr. Brown: Yes. That is one of the good things about the Bill. With dock gates, the tides sometimes constrain orderly working of the port. A tremendous project is proposed.

The work would provide room in the enclosed dock for a greater volume of cargoes which can be handled suitably only in dock. It would also provide a unique dry bulk facility out in the river for larger vessels. ABP advises me that it is confident that the new facilities would enable expensive trans-shipment to continental ports to be dispensed with as larger vessels could sail from foreign destinations direct to the new jetty terminal in the Humber.

Opposition Members may feel that the work might help foreign imports of which they do not approve. If the Bill is defeated, however, large bulk vessels will have to go, as they increasingly have to already, to the port of Rotterdam and break down their cargoes into much smaller boats, which would come to wharves outside the national dock labour scheme. Opposition Members know what problems that would present for traffic and villages.

Given the nature of the debate that we had earlier on the ten-minute Bill, it must surely be agreed that if there is to be investment in ports such as Hull, Grimsby and Immingham and large ports such as Liverpool, we must encourage port facilities to be concentrated where we have put the infrastructure. We do not want large cargoes going to Rotterdam, being broken down and sent to small wharfs.

Mr. David Hinchliffe (Wakefield): I should like to clarify the hon. Gentleman's position on the Bill. According to the January-February edition of *Anti-Apartheid News*, the hon. Gentleman has connections with an organisation called the Office of the South African Coal Industry, which promotes imports of South African coal. According to *The Times* of 5 April 1988, the hon. Gentleman was part of a recent Conservative party delegation to South Africa which called for the ending of sanctions against imports of South African coal. Are those reports true? If so, who paid for the trip to South Africa? Is the hon. Gentleman actively involved in promoting the importation of South African coal? Does he get paid for so doing?

Mr. Brown: The hon. Gentleman asks a perfectly proper question, but he should have done his homework and referred to the Register of Members' Interests. If he had done so, he would have seen that I have a nil declaration. I have no financial interests, apart from a small income from Yorkshire Television and *The Guardian*. I have no financial connection with any other business whatsoever.

I freely and proudly confirm that I have had the opportunity to see many bulk terminals around the world, as one would expect of the hon. Member for Brigg and Cleethorpes. I have seen the Richards Bay terminal near Durban, and I freely confirm that I was a guest of the Chamber of Mines in South Africa. If the hon. Gentleman looks at the Register of Members' Interests, he will see that those matters are declared.

Mr. Kevin Barron (Rother Valley): Will the hon. Gentleman give way?

Mr. Brown: No. I shall not give way, because I must make progress.

Work No. 4 describes a proposed quay that is intended to provide berths in the Great Ouse river at King's Lynn. This is building on success, for, although King's Lynn port is small, it is very busy and primarily handles grain, agricultural exports and timber and steel imports. It handles other traffic, including containers, cars, scrap metal, coal and coke. The new berths would enable larger ships to call at the port. At present, all the available facilities for cargo handling are located inside the enclosed docks and the size of vessel is limited by the entrance lock. It is envisaged that traffic such as grain exports and animal feed imports will use the new berth.

Mr. Henry Bellingham (Norfolk, North-West): My hon. Friend is aware that last year was the best ever for the port of King's Lynn. It is a thriving, thrusting, go-ahead port. The main problem is that there are two enclosed docks, which greatly restrict the length and width of vessels that are able to enter it. The riverside quay is essential for the expansion of the port to attract the larger, wider and longer vessels. Is my hon. Friend aware that the overwhelming majority of the people who work in King's Lynn dock and the Transport and General Workers Union, which represents most of the dockers who work there, are completely behind the Bill? Is my hon. Friend aware that if some Opposition Members succeed in sabotaging the Bill, my constituents, whose jobs depend on this measure, would regard their behaviour with dismay?

[Mr. Henry Bellingham]

Does he agree that those Opposition Members' attempts at sabotage are hypocritical and that they do not care about jobs in East Anglia and in constituencies such as mine?

Mr. Brown: I confirm that the Transport and General Workers Union has been solidly behind these proposals, which will be of much benefit to my hon. Friend's constituency. It is estimated that the proposed works will cost about £4 million and, as my hon. Friend rightly said, the additional provision is essential to the success of the King's Lynn port. I hope that Opposition hon. Gentlemen will listen to the debate and be convinced of the reasons why they should vote for the Bill. Thus far, I do not think that anything out of order has taken place.

Mrs. Llin Golding (Newcastle-under-Lyme): On a point of order, Mr. Deputy Speaker. I have listened to the hon. Gentleman. Silverdale quarry in my constituency will be gravely affected by the Bill. The hon. Gentleman persists in addressing his remarks to hon. Gentlemen. He has not once directed his remarks to me.

Mr. Brown: I apologise profusely to the hon. Lady.

As hon. Ladies and Gentlemen will be aware, part IV of the Bill—this might have been of interest to the hon. Member for Cynon Valley (Mrs. Clwyd) had she been present—relates to provisions for Port Talbot. Clause 15 sets out the various provisions relating to Port Talbot and clause 16 extends the geographical limits of the harbour. This provision is required so that the dredged approach channel may be extended, lighted, buoyed and subject to the harbour master's jurisdiction. It is intended to ensure the safety of shipping in the area.

Port Talbot tidal harbour is a specialised facility which was constructed to allow the British Steel Corporation to bring in essential raw materials at a suitable deep-water harbour, conveniently placed for the steel works at Margam and Llanwern. The intention is to deepen and lengthen the dredged channel forming the approach to the tidal harbour so that the BSC may use larger vessels, thereby leading to economies of scale to make it more competitive against foreign manufacturers. I am sure that every hon. Gentleman and hon. Lady who represents a steel-producing constituency in south Wales will join me in the Aye Lobby. This is a major beneficial provision for the steel industry in south Wales.

At present, the annual tonnage of raw materials handled at Port Talbot is 7·5 million, of which iron ore amounts to 5·6 million. The largest vessel used at present has a capacity of only 100,000 tonnes, and it is expected that the improved channel will enable the use of vessels that carry up to 150,000 tonnes.

Part V contains a standard protective provision for the Crown, which is normal in Bills of this kind. Part VI deals with all the works and, in clause 18, places a time limit of 10 years on the proposed development for the purposes of class XII of the Town and Country Planning General Development Order 1977.

Mr. Bob Cryer (Bradford, South): On a point of order, Mr. Deputy Speaker. The hon. Gentleman is gabbling through a prepared brief. "Erskine May" says that printed notes are available by way of guidance for a speaker, but reading straight from notes is not permitted. I hope that the hon. Gentleman will adjust his speaking rate and debate the matter rather than gabble a prepared brief at us.

Mr. Deputy Speaker: In the hallowed phrase, hon. Members are allowed to refer to copious notes.

Mr. Brown: I am anxious to make progress, because I am aware that the Bill evokes a certain amount of passion among Opposition Members. I am acutely aware of the fact that many hon. Members wish to catch your eye, Mr. Deputy Speaker. I have a responsibility on behalf of the promoters—and as the hon. Member whose constituency will benefit from the provisions of the Bill—to set out the technical matters that the Bill raises, as well as other matters that may touch on the constituencies of other hon. Members.

Clause 19 requires Associated British Ports to pay all the expenses of the promotion of the Bill and enables it to do so out of revenue. These clauses are standard provisions that are normal in a private Bill.

Mr. Redmond *rose*——

Mr. Brown: I should like to press on because I have a duty to the House to make some progress.

I shall refer to those who rightly petitioned against the Bill—it was within their rights. Eleven petitions against the Bill were deposited, and they fall into two groups. The first group, which numbers five petitions, consists of companies or bodies making specific points aimed at the protection of their interests in the locality of the Immingham and King's Lynn works. Those petitioners are the Anglian Water Authority, Calor Gas Limited, Conoco Limited, Humber Oil Terminals Trustee Limited jointly with Associated Petroleum Terminals (Immingham) Limited and, finally, the British Coal Corporation. All those bodies have legal interests in installations at close proximity to the proposed works, for example, sea defence works, jetties, conveyor systems and so on. Consultations and negotiations with the petitioners are well advanced and a great deal of progress has been made with ABP. As ABP readily acknowledges that it must indemnify legitimate interests that may be adversely affected, for example, if the approach to a neighbouring berth were to suffer additional siltation, it is fully expected that, with one exception, settlement will have been reached with the petitioners by the time the Bill is considered by a Committee in the House.

Mr. Graham Allen (Nottingham, North): Will the hon. Gentleman give way?

Mr. Brown: No, because there is one petitioner that I think the hon. Gentleman would wish me to deal with, which may affect his constituency and several others in Nottinghamshire.

Protection will be given by the ABP to the Department of Energy, which owns a jetty upstream of the proposed works at Immingham. Consultations have taken place with the Health and Safety Executive to make certain that the proposed works fully meet all safety regulations that are relevant to the busy industrial area of Immingham and to the river Humber, which is Britain's busiest waterway.

I mentioned one exception to the hope of a settlement with the petitioners that I named. It concerns British Coal, which petitioned seeking protection for its neighbouring port installations and with which it is expected full

agreement will be reached for those installations. However, British Coal's petition contains, in paragraph 21, a more fundamental objection to the Bill, which is in line with the objections being made by the other group of petitioners to which I shall now refer.

I shall refer to those petitioners, if you will forgive me, Mr. Deputy Speaker, as political petitioners because their petitions are purely political and have nothing to do with the technical aspects of the works that I have described. *[Interruption.]* I do not say that in any derogatory sense. I make it clear that I fully accept that the petitioners are perfectly entitled to petition, and they have exercised their right. Those petitioners are the National Union of Mineworkers, the Union of Democratic Mineworkers——

Mr. Eric Illsley (Barnsley, Central): On a point of order, Mr. Deputy Speaker. Is it correct for the hon. Gentleman to refer to those petitioners as political, by which he means the Coalfield Communities Campaign and the National Union of Mineworkers, but to refer to the Transport and General Workers Union as supporting the Bill? Surely that is unfair.

Mr. Deputy Speaker: That is a legitimate point for debate, but it is not a point of order for the Chair.

Mr. Brown: I should like to make it absolutely clear that, when I use the word "political", I use the word with a small "p" and in no sense in a derogatory way.

Mr. Allen: If the hon. Gentleman is expressing concern about petitioners and the views of those who may object to the Bill, why has he chosen to pilot it through the House rather than go through the normal planning permission process with a full public local inquiry, so that all those whom he calls political could put a full case in public and perhaps have their view heard by a judge? A decision could be made at a proper public inquiry after all the issues had been discussed rather than the hon. Gentleman trying to sneak the matter through in this way.

Mr. Brown: I should have thought that if we were to rely on the other method by which planning permission can be given, there would be far less opportunity than there is under the private Bill procedure for Opposition Members and petitioners to make their case.

On occasions, I have objected to private Bills and I have served on a private Bill committee, and I have followed private business from the point of view of promoters and petitioners, so if the hon. Gentleman has been in the House for as long as me—I have been here for nine years now—he will realise that under that procedure there is a tremendous scope to ensure that petitions are fully heard and adjudicated on in a much fairer way, from the point of view of the petitioners, than under normal planning procedures, which might involve a local borough council or a county council. I should have thought that this was a much better way to ensure that those who object to the Bill have the opportunity to have their say.

Those are the petitions that it is difficult for Associated British Ports to meet. Hon. Members who have blocked the Second Reading of the Bill are doing so on the same ground as that stated in the second group of petitions that I listed. That is that the proposed works at Immingham and King's Lynn and, indeed, the proposed improvements to the harbour at Port Talbot, are intended for or at any rate could be used for the importation of foreign coal. The NUM petition states flatly that, for that reason, the Bill should not be allowed to proceed.

The other political petitioners say that the Bill should not be allowed to proceed unless safeguards are inserted to prevent the consequences that they foresee. The only way in which ABP could go ahead and construct the works, and yet satisfy those petitioners, would be by binding itself never to accept any imported coal through the new works. Of course, that is not possible for any commercial body. ABP's perceived function is to provide and operate modern efficient port facilities to meet market demands and to be free to compete for all traffic, whether inward or outward bound, including coal, or any other commodity.

I stress that the proposed port facilities at Immingham are not simply for imports. Ports and port industries have two purposes: they are for exports as much as for imports. Hon. Ladies and hon. Gentlemen would do well to remember that it was only a short time ago, just before the mining dispute in 1984, that some 5 million tonnes of British coal were exported from the port of Immingham, perhaps from the mines in constituencies represented by Opposition Members. I remind hon. Ladies and hon. Gentlemen that from the British Coal press release just two days ago—they can take heart from it—it is clear that the present collapse in the price of world coal is unsustainable. The world price of coal is likely to rise. As a consequence of the efficiency of our mining industry, and probably in the mid-1990s, when the jetty facilities at Immingham are completed, it is likely that British Coal will be in the market for exporting, and it will need port facilities to do so. The Bill provides for those facilities.

I stress to hon. Ladies and hon. Gentlemen that the purpose of the Bill is to recognise that there are times when British Coal as well as British Steel has required port facilities to export its commodities. It was only a few years ago, when I represented the steel constituency of Scunthorpe, that the BSC was concerned about imports taking away its home market. Now it is in the export business and it needs export outlets and growing port facilities.

Mr. Michael Welsh: I thank the hon. Gentleman for giving way on an important issue. He said that the facilities would be for all sorts of imports, and he was grateful for that. If all sorts of imports can come in, is the hon. Gentleman saying that it is possible for nuclear waste to be imported, and to be dumped in our constituencies? If he is saying that, does he agree with it? I do not. I ask the hon. Gentleman: does he?

Mr. Brown: The hon. Gentleman raises a point that is of great concern to me. But I cannot imagine that many people in the United Kingdom will import nuclear waste. It is highly unlikely that many people will require the port facilities for that, but, theoretically, if someone wanted to import vast quantities of nuclear waste, he could use Immingham docks. He could use the docks without the Bill, but he might not be able to bring so much in, so I suppose that theoretically what the hon. Gentleman says is possible.

The opposition by the coal interests to the proposals contained in the Bill amounts to an attack on free trade. The coal interests are using a private Bill legitimately, but they are using it to make a political point. The conception

[Mr. Brown]

and execution of an energy policy for the United Kingdom is a Government matter, and Opposition Members should not use opposition to a private Bill——

Mr. Ted Leadbitter (Hartlepool): As I understand it —this is an opportunity for the hon. Gentleman to correct me and to enlighten the House—he travelled to South Africa with his expenses paid, hospitality given, and took part in discussions. Did he at any time discuss with the mining interests in South Africa the possibility of their exporting coal to this country? Did South Africa demonstrate that because of the changing situation regarding energy policies in this country there is a market for its coal? If the hon. Gentleman did take part in such a discussion, will he be precise about it? If he did not do so, will he make that clear to us?

Mr. Brown: The hon. Gentleman is an assiduous and senior Member of the House. I thought that he would have done his homework, examined the Register of Members' Interests and seen my declaration that I visited South Africa as a guest of the Chamber of Mines, and that my accommodation and travel expenses were provided. There is no secret about that.

Mr. Leadbitter *rose*——

Mr. Brown: I now come to the other points that the hon. Member for Hartlepool (Mr. Leadbitter) referred to. I raised the issue while I was in South Africa and he will be interested in the answer. There is a punitive export rate on the South African rand. It is not practical, across the exchanges, for the South African coal industry to export coal to this country. The hon. Gentleman should be aware also that Britain is a member of the European Community, which has imposed sanctions on South African coal. I should have thought that he would recognise the safeguards that exist. He should know, as an hon. Member with great experience of the coal industry, that the South African coal industry is flat broke. It has no investment possibilities for exporting its product.

Mr. Leadbitter: Why did the hon. Gentleman go there?

Mr. Brown: I went there because I wanted to see the export coal terminal at Richards Bay in Durban, and on behalf of those hon. Members who may one day see the coal that is produced in the mines in their constituencies being afforded the same sort of exporting coal facility at the port of Immingham. I should dearly like to see a Richards Bay at Immingham, and not one in South Africa. That is why I invite Opposition Members to consider the points that I make. *[Interruption.]* It is sad that instead of greeting better port facilities as an opportunity to export coal mined in the United Kingdom, the petitioners, not only shrink from this opportunity but actively and by political means, seek a protectionist policy. It is as though they have neither the will nor the ability to compete with foreign coal producers.

I voted against joining the Common Market in 1975, but I realise that in 1992, for better or worse, we shall be a member of the single European market. Products will go to the port of Rotterdam and be broken down and sent to——

Mr. Illsley: Will the hon. Gentleman explain why he visited a coal export terminal at Richards Bay? How does he square that with his latest statement that the South African coal industry is flat broke and cannot export that coal? If that is the case, why does it have this export terminal?

Mr. Brown: Because it has been there for many years. Of course, their export markets are not Europe; they are the Pacific rim. I thought that the hon. Gentleman, with whom I serve on the Select Committee on Energy, would know that.

Mr. Allen *rose*——

Mr. Brown: I give way for the last time.

Mr. Allen: When South Africa exports coal to nations other than Europe, is there a prohibition on that coal being traded on the spot market in Rotterdam or anywhere else and thus finding its way into British ports? If the hon. Gentleman did visit Richards Bay, why did he do so when it is an old, out-of-date, unused facility? I assumed that he would want to see a modern facility.

Mr. Brown: I visited the Richards Bay facility because it is one of the largest facilities in the world. If one represents the port of Immingham and wants to see that port thrive, one would go to that sort of facility. Whether one likes it or not, South Africa is in the coal business. South Africa is supplied by the same coal technology which supplies the mines which are represented by Opposition Members.

Mr. Allen *rose*——

Mr. Brown: No, I am not going to give way any more. I hope that the hon. Gentleman will catch your eye, Mr. Deputy Speaker, and be able to make his own speech.

We have to accept that Britain will be part of a wider Europe in 1992, whether we like it or not. If we are to take advantage of that opportunity—as France will do under the Socialist President Mitterrand—we have to be better than other countries. We must ensure that there are port facilities. We must ensure that the dockers in my constituency play their part in sending British goods across to the continent and to other parts of the world. As I have explained, the powers sought by ABP are designed to meet the needs of its markets and the many customers who will use the new facilities.

If the exporters and importers of a nation which is proud of its free trade tradition are denied the use of facilities that they need because of the opposition of one vested interest, that will be a grave injustice. That is why I invite the House to give the Bill a Second Reading.

8.36 pm

Mr. Kevin Barron (Rother Valley): I offer my condolences to the hon. Member for Brigg and Cleethorpes (Mr. Brown). On 5 May he wrote a letter to his hon. Friends asking them to support the private Bill tonight. When he moved the Bill, there were 10 of his colleagues on the Government Benches. The number reduced to seven at one stage. The number is now up to eight, if one includes the Minister. It seems that his letter did not carry a lot of weight. I wonder what it will be like in the Lobby at 10 o'clock, if there is a Division. Will his hon. Friends respond to his three-line Whip? Below the request in his letter for supporters to attend at 10 o'clock there are three lines.

There are one or two other points in the letter that I should mention. The hon. Gentleman has been more honest with the House than he was in his letter. He said that the major part of the Bill relating to Immingham is about coal and very little else. In the letter which he sent to his right hon. and hon. Friends he said that the port could be used for the importation of coal. Of course, he knows that it will be used for coal imports. That is why British Coal is one of the 11 petitioners against the Bill. It is interesting that the hon. Gentleman has not put British Coal in his list of political petitioners.

Mr. Michael Brown: That is because British Coal is petitioning to protect its port interests at the terminals.

Mr. Barron: I shall be mentioning some of British Coal's interests as contained in the literature that it has been sending to hon. Members. Its interests go further than the Immingham terminal that it is using. Its interests lie in my constituency as well as in other hon. Members' constituencies. In the letter of the hon. Member for Brigg and Cleethorpes there is the sentence:

"In both cases, an essentially private enterprise development faces opposition from public sector vested interests."

The hon. Gentleman is saying that the Bill of the newly privatised Associated British Ports should be defended because it is a privatised port rather than for any other reason.

The hon. Member for Brigg and Cleethorpes referred to the petition from the National Union of Mineworkers containing the name of the president, Arthur Scargill. It is a great pity that the hon. Gentleman did not refer to the other political petitioners such as Calor Gas and Conoco Ltd. The hon. Gentleman mentioned his visit to South Africa. He should recall that it is recorded in the Register of Members' Interests that he visited America not too long ago as a guest of Conoco. Twice during his speech the hon. Gentleman said that with regard to his visit to South Africa we should look at the Register of Members' Interests—*[Interruption.]*

I consulted the Register of Members' Interests this afternoon. Four Conservative Members went on that delegation to South Africa and two of them registered that fact in the Register of Members' Interests. The hon. Member for Brigg and Cleethorpes did not.

Mr. Michael Brown: It is registered there.

Mr. Barron: I have looked at the register twice and the hon. Gentleman's visit is not registered there.

Mr. Brown: If the hon. Gentleman telephones the office which compiles the Register of Members' Interests, he will learn that my visit is registered. I have a copy of the entry. I do not know when the volume which the hon. Gentleman examined was published. If he telephones—and I am surprised that he did not do that this afternoon because that is what I would have done—he will receive the full details.

Mr. Barron: It is very strange that I looked in the updated version kept in the Library, not in the Vote Office, and I saw that two of his hon. Friends who accompanied him on the visit registered in time for that fact to be entered in the updated copy in the Library. The hon. Member for Brigg and Cleethorpes invited Opposition Members to look in the Register of Members' Interests. The hon. Gentleman is not registered in the register as having visited South Africa with that delegation.

It is true, as the hon. Member for Brigg and Cleethorpes rightly explained, that the South African Government discriminate against their own coal industry. On 5 April 1988 *The Times* carried an article which examined in some detail the visit made by the hon. Member for Brigg and Cleethorpes and his three colleagues to South Africa as the guests of the South African coal mining industry. The article states, referring to the delegation:

"They also feel it should be supported in its opposition to the discriminatory legislation enforced by the South African government."

The hon. Gentleman is arguing for the South African Government to remove that discrimination which he claims prevents them from exporting coal to Britain. He went to South Africa to argue that and he came back here and argued that the South African Government should stop doing that presumably to open the gates for South African coal, without South African Government discrimination, to come into Britain.

If we pass the Bill, the consequences will be very grave for the regional and national interests. It has become obvious since the publication of the White Paper on privatising electricity that the only competition will exist through the price of coal for the generators. While the nuclear industry is cushioned, the coal industry will be challenged. The Bill is the first—unfortunately, it will not be the last—challenge to the British coal industry in current legislation.

It is obvious that the facilities will be used for importing coal and that the effects of such imports on the demand for and supply of indigenous coal products must be heeded. It is a well-known fact that present international coal prices are well below sustainable levels in the medium to long term. Although prices have increased recently, that has been offset by the increase in sterling against the dollar. In view of that, substantial coal imports through the Humber could close a minimum of 10 million tonnes of capacity in the midlands and Yorkshire coalfields which would in future prove economic against world prices. Imports would also interfere with British Coal's current cost reduction and restructuring and that is compounded by the uncertainties arising from the Government's privatisation. There is no certainty about the terms and conditions under which British Coal will supply the newly privatised electricity supply industry.

It is worth noting at this stage that no industry of that scale can sustain a coherent investment programme of future market projections during all that uncertainty. Because of that, importing coal at an unsustainably low price would not only reduce British Coal's sales and output, but would permanently damage areas that have already borne the brunt of a contracting industry.

Mr. Allan McKay (Barnsley, West and Penistone): Has my hon. Friend seen the report in the Sheffield and Barnsley *Star* which contains a report from the *Financial Times* business section stating that 40 potentially profitable pits will be axed by 1990 if the Government encourage coal imports?

Mr. Barron: That is right. I hope that the hon. Member for Brigg and Cleethorpes will listen to these implications and will stop talking to his friends.

[Mr. Barron]

The report to which my hon. Friend the Member for Barnsley, West and Penistone (Mr. McKay) has referred is titled

"Coal on the Market: Can British Coal Survive Privatisation?"

and was produced by the *Financial Times* business information service last Monday. It states:

"Much British deep-mined coal can compete well with imports in 1990—but by 1995 the mines should be competing so well as to restrict imports to the periphery of the power station market . . . By 1995 any savings made by an all-out import policy in 1990 would have disappeared and the electricity supply industry would be paying millions of pounds more for imported coal than by buying British . . . There is a severe risk that many deep mines which could compete with imported coal in 1995 will be closed by 1990 if the government encourage an early free-for-all on imports."

That is exactly what is happening with the Bill tonight.

Mr. Geoffrey Lofthouse (Pontefract and Castleford): Does my hon. Friend realise that the hon. Member for Brigg and Cleethorpes (Mr. Brown) is fully aware of the facts that he has given? Like me, the hon. Member for Brigg and Cleethorpes has the privilege of being a member of the Select Committee on Energy and he heard expert witnesses expressing concern about the effects on the British coal mining industry arising from the privatisation of electricity and the threat of major imports of up to 30 million tonnes. That coal could not be imported without these new ports.

Mr. Barron: That is right. My hon. Friend has struck a true note. We all know what is behind the Bill.

I want to refer to the Bill's history. The Bill's promoters applied for EEC assistance under the integrated development operation programme for the region covering some of south Yorkshire and Humberside. That application was rejected because it was argued that to fund a project in one part of an area that damaged another was not within its scope and that refusal was perfectly correct as the coal mining areas of Nottinghamshire and Yorkshire will be dramatically affected by the Bill if it is carried through all its stages.

There are five coal mines in my constituency which supply between 80 per cent. and 95 per cent. of their production to one of four power stations——

Mr. Redmond: On a point of order, Mr. Deputy Speaker. Is it correct and in order for a Conservative Member to consult with members of the public who may have a vested interest in this discussion?

Mr. Deputy Speaker: I am concerned only with what happens in the Chamber, and that is a difficult enough job without the hon. Gentleman inviting me to deal with something outside the Chamber.

Mr. Barron: The coal mines in my constituency supply coal to two generators in Yorkshire and two in Nottinghamshire. The terminal referred to in the Bill will threaten those collieries.

We are effectively being asked to add to the 19 per cent. unemployment level in the Rotherham and Mexborough travel-to-work area. We are being asked to threaten jobs in an area where 51·3 per cent. of the male unemployed have been claiming benefit for more than a year. In March, 4,310 young people were on Government schemes or seeking work through the Rotherham careers office. Between November 1987 and February 1988, only 55 full-time and three part-time vacancies were notified for the 4,310 young people seeking work in the area. In March, there were 499 unfilled vacancies at the jobcentre in the area which I represent and the constituency of my hon. Friend the Member for Rotherham (Mr. Crowther). In other words, there was one vacancy for every 40 unemployed people.

The Bill would make matters worse in the interests of profit for a newly privatised electricity supply industry. It would not act in the national interest. In the past decade British Coal has reduced its work force by 60 per cent., and the work force has been reduced by over half in the past three years. More than 125,000 job losses have been the direct and miserable cost of the coal industry's restructuring. The price has been paid by the mining communities. What more can these communities realistically be expected to give if there are to be further cuts in their areas?

What is to be done for the thousands of young people who have no opportunity to work? Some of them have been unemployed for four, five or six years. Many have never had a job, and they would love to take one if the opportunity came their way. The hon. Member for Brigg and Cleethorpes is giving us the opportunity to cause further job destruction by expanding the port at Immingham.

Mr. Michael Welsh: I agree with my hon. Friend's arguments on unemployment. Does he agree that it would be foolish to embark on an undertaking to bring minerals into this country when we have a 300-year supply of coal? Surely such importation would increase unemployment and ruin the balance of payments. Would it not be foolish to pay for imports when we can produce what is needed? Does my hon. Friend agree that the Bill should be rejected?

Mr. Barron: I concur with my hon. Friend's remarks. He will be aware of the damage that was caused to the balance of payments following the increase in oil prices in the early 1970s. That was a classic example. It seemed that we were prepared to cut off our noses to spite our faces. Warnings were issued by the British mining industry for many years that importing energy at such a high level was wrong. It was seen to be wrong when the price of oil on the world market increased fourfold in a short period.

I know that a three-line Whip has been sent to Conservative Members. They have been asked to support the Bill's Second Reading. Although there have never been more than 10 Conservative Members in the Chamber since the debate began, I suspect that we shall see more than 10 of them when the Question is put.

There is a strong rumour that the chairman of Associated British Ports has met the Minister to ensure that the Bill enjoys prime parliamentary time, that there will be a healthy vote in its favour, and that it will have some chance of success. It is a disgrace that it has been introduced in such a manner. It has been rushed through, and accompanying it is a flimsy letter from the hon. Member for Brigg and Cleethorpes that fails to deal with the problems that will arise in many areas. I note that the hon. Gentleman smiles. I am talking about Rother Valley, which is Labour controlled, and other areas that some of his hon. Friends represent. These areas will be under attack if the Bill is enacted and implemented.

Mr. Redmond: My hon. Friend has made a serious allegation. I hope that he will ask the Minister to give a categoric denial that the chairman of Associated British Ports has met the Minister or any departmental officials with a view to pushing the Bill through the House.

Mr. Barron: If the Minister intervenes in the debate, I hope that he will tell us whether the rumour to which I have referred is true. As I have said, it is strongly rumoured that there has been a direct approach to someone within the Department by the chairman of Associated British Ports.

I shall bring my remarks to a close as I am aware that others wish to participate in the debate. It may be that we shall not have sufficient time to complete our consideration of the Bill on Second Reading this evening because of the number of hon. Members who wish to speak. It may be necessary for the debate to be continued at a later date.

The communities that I represent, along with many that are represented by others in this place, have paid the price of restructuring, and it will be paid by future generations. These communities should be allowed to reap some of the benefits that should accompany increases in productivity. We are all aware of the increases in productivity that have been achieved in the coal industry over the past three years, and I want to ensure that the communities that I represent benefit accordingly. One way of ensuring that they do so would be to reject the Bill. Let us ensure that if there is a Division on Second Reading this evening there will be a majority against it.

If the Bill is given a Second Reading tonight and later is enacted, its effect will be to exploit our people and the peoples of other countries. The hon. Member for Brigg and Cleethorpes has visited South Africa and he has seen the exploitation in that country's coal mines. I urge him to change his mind and to join us in rejecting the Bill's Second Reading.

8.56 pm

The Minister for Public Transport (Mr. David Mitchell): My intervention will be brief and will follow entirely traditional lines. The normal advice that is given to the House by all Governments, regardless of party, is that a private Bill should be allowed a Second Reading. That does not imply that the Government support it. It means that the Bill should be allowed to be considered in Committee so that it can be examined in detail on its merits. The promoter and sponsors can advance the case for it, and the petitioners can argue for amendment or rejection.

The hon. Member for Rother Valley (Mr. Barron) referred to what he described as a strong rumour that I had met the chairman of Associated British Ports to have my arm twisted or my ear bent in receiving his views on why the Bill should proceed. I have not met the chairman of Associated British Ports in respect of the Bill. I have no knowledge of whether any other Minister or officials in the Department of Transport have done so. That has no bearing on what I have to say this evening.

I shall not comment on the Bill. All the arguments have been advanced for and against it.

Mr. Barron: If the Bill proceeds after its Second Reading tonight, will the Minister ensure that nobody else from his Department—perhaps even the Secretary of State himself—has met the promoters of the Bill, and will he make that information available at the Committee stage or at another opportunity?

Mr. Mitchell: Had I or my colleagues been persuaded by the chairman of Associated British Ports, we might have been expected to express a view that was favourable to the details of the Bill. I have been carefully telling the House that I am adopting the traditional stance of not commenting on the Bill or on the arguments that have been made for or against it. I merely urge the House to give the Bill a Second Reading, so that the case can be properly heard. The House owes that much to the promoters. My action is not meant to show support for the Bill, but reflects the Government's purely conventional and neutral position. It is on that basis that I hope the House will allow the Bill to make progress, so that it may be considered in greater depth at the Committee stage.

9 pm

Mr. Tony Lloyd (Stretford): The Minister tells the House that the Government, with their usual neutrality, have nothing to do with the Bill. I remind Conservative Members who have not turned up for this debate, important though it is, and also my hon. Friends, that the same Minister, during the progress of the Felixstowe Dock and Railway Bill, assured the House that the Government were strictly neutral. Yet during the course of the long evening when that Bill was debated the Prime Minister herself voted on it on at least seven occasions, thereby demonstrating that the Government's neutrality was as bogus on that occasion as is the Minister's pretence that the Government have no interest in this Bill.

I say to the hon. Member for Brigg and Cleethorpes (Mr. Brown) that he would do himself a considerable favour if he would be less assiduous in trying to persuade the powers that be in the Government to arrange matters nicely for him. Conservative Members were in the House for a Whipped vote at 7 o'clock, and we know that they will be present again later tonight for another Whipped vote. We know that the sponsor of the Bill has written to his hon. Friends in such a way that it was described as a private three-line whip. That does not lead us to believe that there has been no jiggery-pokery with the Government's business managers.

Mr. Michael Brown: The hon. Member for Stretford (Mr. Lloyd) should be aware that the time allocated for today's private business is not a matter for the Government, or for the Opposition, but is arranged on the instructions of the Chairman of Ways and Means. I make no secret of the fact that I have invited my hon. Friends by letter to consider the points that I have made, and I believe that my hon. Friend the Member for Sherwood (Mr. Stewart) has written to every Conservative Member asking them to join the Opposition Lobby.

Mr. Lloyd: The hon. Gentleman surprises me, either with his innocence or his naivety. I agree that the allocation of private business is a matter for the Chairman of Ways and Means. However, if the hon. Gentleman is trying to persuade me that it was other than the Government's business managers who allocated the debate that is to take place after this Second Reading, he is out of his head. He knows as well as I do that it is the Leader of the House, in conjunction with the Chief Whip and the business managers of his party, who make sure

[Mr. Lloyd]

that at the end of the day the Government govern. It is the Government's business managers who decide what business is transacted. Those same Government business managers ensured that Whipped business would be taking place after this private business, thereby guaranteeing that many of the hon. Gentleman's hon. Friends—and friends of apartheid—would be present to vote for the Bill.

Mr. Patrick McLoughlin (Derbyshire, West): So far the hon. Gentleman has made no real argument against the Bill. It is not our fault that the Opposition changed the subject of today's debate and introduced contention after today's business was announced last week. The fact that Conservative Members are present to vote on certain issues should not surprise him. He should address himself more to the arguments relating to the Bill than to the business of the day.

Mr. Lloyd: The hon. Member for Derbyshire, West (Mr. McLoughlin) will forgive me if I do not always accept his advice on the content of my speeches or how I should present them. Having listened to the hon. Gentleman on many occasions, I find that I generally do better without his assistance. I shall not labour the point, but the hon. Gentleman is a little newer to the House than is his hon. Friend, and is a little duller. I shall try to explain again to him that it was the Government's business managers who allocated the business after this Second Reading, so guaranteeing that Conservative Members would be present in force tonight.

The Government, far from being neutral, are showing all the signs that they have shown in the past of wanting to support the Bill. The reason for doing so is simple, and it is the one given by my hon. Friend the Member for Rother Valley (Mr. Barron). The Bill is all part of the process of fattening up the CEGB for privatisation—fattening up revenues for the Government's coffers. It does not take an economic or mathematical genius to know that if the CEGB can operate with imported coal bought on the stock market—as it wants to—where prices, for this brief moment of history, are well below those of British Coal, it will be in a position to lower its costs and increase its prices. And the Government will be able to maximise their profits when privatisation of the CEGB takes place.

I am sure that many of my hon. Friends from the coal mining communities will make their points about the coal industry. They are better informed about it than I am. However, I shall make a few before moving on——

Mr. Harry Barnes (Derbyshire, North-East): Although it is a fiction that the Government maintain neutrality, there is a case for them not to operate that fiction and to ask us to move against the measure. The preamble to the Bill states:

"The purposes of this Act cannot be effected without the authority of Parliament".

That shows that the Bill is claiming that these things can be done only by means of a Bill of this kind. However, we know that planning permission being sought through the normal procedures from authorities in different parts of the country would be another way of achieving the Bill's aims. So the Bill is a fraud and the Government should take that into account when considering their attitude to it.

Mr. Lloyd: My hon. Friend raises an important point, which the hon. Member for Brigg and Cleethorpes might want to consider. He told the House—surprisingly—that he thought this procedure was a better one for prosecuting a matter such as this. I have stated before that it would be far better if Parliament had nothing to do with these private Bills, which tend to be squalid little affairs. Accusations are often made—and justified—that Conservative Members are acting in the interests of some rather dubious groups, in this country or further afield.

The hon. Member for Brigg and Cleethorpes has already been questioned about his links with the South African coal industry. If he would like to tell us how far his negotiations with that industry extend, he would do the House a favour. We would then be able to put his claims of disinterestedness to the test. At the moment they do not look good, in view of the accusations about his links with the South African coal industry.

Such issues, which may be hidden in this sort of procedure, would not be hidden if the suggestion of my hon. Friend the Member for Derbyshire, North-East (Mr. Barnes) of having proper planning mechanisms and local public inquiries were followed. In that way, local interest groups and people who would be affected could make clear their objections, which could be properly examined. That would be a more acceptable way of handling this.

We know that more than 100 Conservative Members who will be needed for the closure are secreted around the House, but the problem is that fewer than a dozen of them are present to hear the reasons that would justify, or not, their decision to vote for the Bill. That is why this procedure is objectionable to us. It fails to deal with the needs of those who petitioned against the Bill and, more generally, the needs of the nation. That is why the Government cannot escape their responsibility for such Bills. The Minister may tell the House that the Government's traditional posture on these issues is one of neutrality, but the Government do not always maintain such neutrality. The Minister, on many occasions, far from saying that the House should give a Bill a Second Reading so that the Standing Committee can get on with its examination of it, has made it clear, for instance, that the Government support the promoters of British Rail Bills.

It simply is not good enough for the Minister to pretend that the Government have no interest. Nor is it acceptable for the Minister to tell the House that the Government have no views on whether this development, which will have a major impact on British ports policy, is in the interests of the nation's ports or is an acceptable scheme and to say that the Government are neutral. It is not even acceptable for the Minister not to have a view on whether the petitioners' arguments are relevant. Several petitioners have raised substantive points and the hon. Member for Brigg and Cleethorpes has failed to answer the criticisms that have been made.

In fairness, I should say that the hon. Gentleman has approached me on one issue, and I want to raise that with him now. One of the petitioners is Calor Gas, which has a storage facility which contains some 300 tonnes of liquid petroleum gas. I think that all hon. Members will accept that that is a considerable quantity of such potential danger——

Mr. Hardy: Horrifying.

Mr. Lloyd: For such a store to be put in jeopardy would be unacceptable to all hon. Members. Calor Gas has petitioned against the Bill because it is worried about the

safety of its facility. When neither the hon. Member for Brigg and Cleethorpes, the sponsor of the Bill, nor the Minister addresses that issue, but simply says that it can be dealt with at another stage when the petitioners can have their say is not good enough. The House would be negligent if it did not take such real anxieties into account on Second Reading.

Mr. Michael Brown: I am aware of the hon. Gentleman's anxieties and I have consulted the promoters about them. I have been advised by them that they have met the Health and Safety Executive and the Glanford borough council, which is the planning authority, and a representative of Calor. They are pressing the Health and Safety Executive for a definitive statement to reassure Calor that it will not lose its consent as a result of ABP's activities.

Having advertised the Bill, ABP has had no adverse comments from the Health and Safety Executive and, until receiving the Calor petition, did not appreciate how anxious the company was. Calor and Coneco are customers of ABP, and it will want to do everything to reassure them because they are major customers and users of the facilities. I hope the hon. Gentleman will accept that, if the Bill receives its Second Reading and goes to a Private Bill Committee, such legitimate issues can be considered, with Calor as petitioners.

Mr. Lloyd: I do not find it reassuring that a company with such high credentials as we are told ABP has should sponsor a Bill for which it seeks a Second Reading in the House of Commons without having addressed fundamental safety issues. The hon. Gentleman can correct me if I am wrong, but my information is that ABP did not approach the Health and Safety Executive in an attempt to discover the position.

The hon. Gentleman's explanation is inadequate in another respect. It is not satisfactory if ABP's only reason for wanting to have the matter resolved is simply that it values two large commercial supporters with whom it has substantial dealings. Once again, the actions of the promoters of the Bill and the Government leave a lot to be desired.

The issue of that installation is fundamental, because Calor Gas says that its store will be within 50m of vessels that will be moored on the new jetty if it is built. That is sufficient to make it extremely worried about whether it would be allowed to continue operating at that jetty under existing regulations—the Health and Safety Executive guidance note GS40 on the loading and unloading of bulk flammable liquids and gases, and the API standard 2510 on design and construction of liquid petroleum gas installations. My hon. Friends and I would be the first to argue that if Calor Gas can no longer operate the installation in a manner compatible with safety, the facility must be closed down. If the building of the new jetty will make the liquid petroleum gas installation unsafe, it would be negligent of the House to fail to have the facility closed down.

Mr. David Mitchell: Perhaps it might help the hon. Gentleman and reassure the House to know that the Conoco and Calor Gas operation is a notified installation under the Notification of Installations Handling Hazardous Substances Regulations 1982, so the Health and Safety Executive will certainly be considering the matter if the Bill proceeds.

Mr. Lloyd: That is exactly the point. The House will, indeed, be considering the matter if the Bill proceeds. However, it is a fact of life that the HSE should have been approached by Associated British Ports before the Bill came before the House. It is certainly my clear understanding—the HSE can speak for itself—that the HSE feels considerable unease, to say the least, about the way in which the matter has been handled and the fact that it was not consulted by ABP before this stage. That should give us no cause to be happy about the way in which the Bill has been handled.

The installation is the single most important matter that has been raised because of the clear implications of 300 tonnes of liquid petroleum gas going up in flames, but there are other——

Mr. Mitchell: I want to reassure the hon. Gentleman ——

Mr. Barron: The Minister is defending the Bill.

Mr. Mitchell: No. I am simply trying to put it on record that if the Bill proceeds and the Health and Safety Executive feels that there is a risk, that body will be able to deal, not with this proposal, but with the risk item, which is the liquid gas installation and storage facility. The HSE has power to deal with that matter at its discretion.

Mr. Hardy: Will my hon. Friend comment on, and seek the Minister's further comments on, the fact that when we debated the Hampshire (Lyndhurst) Bypass Bill the Government were able to confirm to the House that the two public agencies responsible for advising them on that Bill—the Nature Conservancy Council and the Countryside Commission—had given advice, even though they had then ignored it? In this case, at the same stage of the Bill's consideration, the Government cannot give us the advice of the public agency that should be responsible for giving advice. As the explosive capacity of liquid petroleum gas is horrific in its proportion and volume, it is remiss of the Government not to make available the sort of advice that was made available on previous Bills. As the Government have not provided that advice, will my hon. Friend suggest to the Minister, not only that he should abstain on Second Reading, but that he should ensure that his ministerial colleagues do the same?

Mr. Lloyd: My hon. Friend gives the Minister some sensible advice. Clearly, the statutory body responsible, the HSE, has not been in a position to comment. It is amazing that the Government can remain neutral when they should have taken expert advice from the HSE. The Minister could then properly have informed hon. Members about whether the proposed development was inherently unsafe or whether it was acceptable and posed no threat to the gas storage installation.

Mr. Mitchell: With great respect, the hon. Gentleman has got it wrong. The Health and Safety Executive is not involved in the matters that are proposed in the Bill. That is not its responsibility. Its responsibility is to decide whether the gas installation should be allowed to continue if the Bill became law and the jetty was used. I make it absolutely clear that the Health and Safety Executive does not have a responsibility for the jetty that is proposed in the Bill. It does have a responsibility for the gas installation nearby. If it took the view that the gas

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installation was not acceptable in that close proximity, it would have powers to deal with the gas installation, but not with the jetty.

Mr. Lloyd: I am grateful to the Minister for his explanation of the technical process, and I agree with him that that is the formal logic. Nevertheless, that situation serves merely to highlight my anxieties. If the Minister is telling the House that the Government, in their neutral attitude to the Bill, are so laid back that they will not take seriously a threat to 300 tonnes of liquid petroleum gas until such time as the HSE has had the opportunity to find out whether vessels will ram the storage terminals, I must tell him that he should not be doing the job that he is doing tonight in the House.

Mr. Barron: Is my hon. Friend aware that Ian Greer Associates wrote to me this morning about the effect on the gas installation? The Minister seems to be defending the Bill. The letter says:

"The promoters have met Calor Gas but as of yet they have offered no amendment to the Bill or given an explanation which is satisfactory to Calor."

Indeed, it is believed that the results of the Bill will be the closure of the gas installation and will cost the jobs that the hon. Member for Brigg and Cleethorpes (Mr. Brown) says he wants to encourage in his constituency.

Mr. Lloyd: My hon. Friend was kind enough to give me a copy of that letter. On this occasion Calor Gas has behaved in a completely reputable way. Obviously it has a commercial interest to defend, but it is also determined to defend its reputation as an operator that does not want to endanger the lives of hundreds of thousands, if not millions, of people.

The Minister should have been able to tell the promoters of the Bill and Opposition Members that the Government can say definitively that the development does not jeopardise that installation, or alternatively that the Government cannot support the Bill tonight because the threat to the installation is so great that it risks devastation and loss of human life on a massive scale.

I shall now turn to another significant item raised by a petitioner against the Bill. The Anglian water authority, which is responsible for land drainage, water courses and effectively for the whole water system in the area of this development, has expressed grave doubts which could not be considered to be motivated by private gain or personal profit. Its doubts stem from the floods on the east coast in 1953. Although I am rather too young to remember that time, I am aware that there was considerable loss of life. As a result, at considerable expense, the Anglian water authority and its predecessor bodies managed to erect a system of sea defences which have protected that coast for all those years.

The Anglian water authority has expressed grave anxiety about the proposed developments by Associated British Ports. It believes that the developments will jeopardise the sea defences that it has provided. It believes that during the construction phase of the jetty, and later when the jetty has been established, it will so fundamentally alter the manner in which the water system works that it will threaten the sea defences and expose the constituency of the hon. Member for Brigg and Cleethorpes and others to the devastating flooding that occurred on that coast 35 years ago.

Associated British Ports has completed a model of the development. Such a model should have existed long before now. Expert information in the form of mathematical and physical models should have been made available to all those concerned. The Minister of State ought to have been able to allay the fears of hon. Members by saying that there is no threat to the sea defences, as suggested by the Anglian water authority. The Minister has told us that he is neutral. He has also told the House that he is unable to provide expert information about liquid petroleum gas. Furthermore, the hon. Member for Brigg and Cleethorpes is unable to say whether there is a real threat to the sea defences in that area. This is a matter of such fundamental importance that one can say that the promoters have been negligent in promoting a Bill for which they have been unable to provide the appropriate information.

Mr. Allen: Will my hon. Friend comment on the fact that 70 per cent. of the deep mine coal capacity in Nottinghamshire goes to power stations in the Trent valley? If a port with a capacity of 5 million tonnes is created, it will have a tremendously detrimental effect on the mining industry in Nottinghamshire and throughout the east midlands.

Mr. Lloyd: I have already made that point. One of the reasons for the Bill is that it provides the Government with a means of fattening up the CEGB for privatisation. An inevitable part of that process is the importation of cheap coal that can be bought at Rotterdam and elsewhere. It allows the CEGB to reduce its costs and increase its profits. It also allows this bankrupt Chancellor of the Exchequer to prop up Government expenditure, as he has done every year since he became Chancellor, with the proceeds of the privatisation that has ripped off the British public. In this case he will be ripping off the jobs of miners in the midlands and elsewhere, including those of miners in the constituencies of Conservative Members. I know that that worries at least one Conservative Member, and perhaps that is to his credit.

Miners' jobs are of critical importance. My hon. Friend the Member for Caerphilly (Mr. Davies) has this evening handed me a letter from people in his area. They are anxious about the knock-on effect in the diminished south Wales coalfields if they come under pressure from the midlands coalfields because their coal is displaced by imported coal.

The problem over the 300 tonnes of liquid petroleum gas is of such devastating importance, if this development gets it wrong, that the House would be failing in its duty if it did not take the matter on board. The undermining of the sea defences on the east coast is another matter of such importance that the House would be failing in its duty if it adopted a position of benign neutrality, as urged by the Minister of State. I urge my hon. Friends and also the hon. Member for Brigg and Cleethorpes to follow the advice of my hon. Friend the Member for Rother Valley and reject the Bill. The hon. Member for Brigg and Cleethorpes should consider whether he ought to say to the promoters that, as that information is not available, he is not prepared to vote for the Bill.

9.29 pm

Mr. Andy Stewart (Sherwood): The Associated British Ports (No. 2) Bill is an innocent title for a Bill which would more honestly reflect its aims if it were called the Destruction of the British Coal Industry Bill. As with most cover titles, nothing is revealed until we turn the pages and find the hallmark of the international coal producers whose covetous eyes are on the British coal market. Their initial aim is to kill off the indigenous supply and reap their reward by blackmailing their customers into paying their inflated price on a take-it-or-freeze option.

However, one of the limitless virtues of the Government is not leaving the country open to internal or external blackmail. We well remember the hike in energy prices in 1973 as a result of another international cartel operation. The resulting largesse stimulated a flood of development, led by the oil companies, of opencast coal mines in the lowest-cost reserves anywhere, however remote, in the world, the favourite countries being Australia, South Africa and Colombia. Their plan was to meet the extra demand for coal worldwide, but the optimistic forecast did not materialise because of the industrial recession and the completion of nuclear power stations ordered in the 1970s. That left the speculating producers with a huge surplus of unwanted coal, their predicament being heightened by the collapse of oil prices 18 months ago. Solutions had to be found to salvage their investments.

The first solution was to mothball mines where possible. The second was to use the supermarket technique of loss leaders to attract customers. Alas, from which countries would they come? The United States of America? No. United States power stations are persuaded not to buy foreign coal. In 1986, out of a total market of 630 million tonnes, only 1 million tonnes were imported into the United States. France has protection, but needs very little coal since 78 per cent. of its energy requirements come from non-coal power stations. West Germany, the most successful country in Europe, has a fully protected coal industry. Britain, with its 100 million-tonne market, has no legal protection and is an obvious choice for coal dumping. Ports capable of handling super coal tankers are needed; hence our debate.

The supporters of the Bill have told the House of its virtues in job creation, cheaper coal and cheaper electricity but have glossed over its real intention—the destruction of Britain's successful and profitable coalfield in Nottinghamshire by offering coal at prices below the cost of production to Nottinghamshire's existing five 2,000 MW power stations, with a further new one to be built alongside an existing station at West Burton. The present international coal prices, valued in sterling, are substantially below the levels sustainable in the medium to long term. The position is endorsed in the document published recently by Coopers and Lybrand called "Coal in Crisis". If, during the period of unsustainably low prices, substantial coal imports were to come into the Humber, they could threaten with irreversible closure a minimum of 10 million tonnes of capacity in the midlands coalfields.

Mr. McLoughlin: Does my hon. Friend agree that this will also threaten the great investment which has been put into British Coal by the Government? Rather than wanting to see an end to British Coal, the Government have shown overwhelming commitment in the amount of investment, in particular in the areas where the miners stood strong and steadfast behind their right to work during the inflicted 12-month coal strike.

Mr. Stewart: My hon. Friend has put the point well. I agree that the Government have honoured their commitment to the coal industry.

Recent prices are not sufficient to earn profits for the main coal exporting mines. A return on capital has been put off by the biggest of the new mines in an effort to drive out the competition. The Bill reminds me of the Trojan horse—innocent looking but devastating in its effect. The aim is to kill British Coal's goose, the Nottinghamshire coalfields, where 50 per cent. of British Coal's profits are generated, and the remaining coalfields will die by themselves. How else can the international coal producers capture a market other than by loss leader prices? This raises a fundamental question, do we really want electricity supplies to be in the hands of foreigners, or do we support British Coal and the miners who have brought about such a radical transformation to their industry in the three years since the strike?

The wages and productivity deals freely negotiated by the Union of Democratic Mineworkers and subsequently imposed on members of the National Union of Mineworkers have been the basis for productivity in British Coal rising by 60 per cent. and coal prices at power stations being reduced by 22 per cent. in real terms. Collieries are continuing to improve their performances. At present rates of improvement, they will be highly competitive by 1992. However, there is a period before then when many will be vulnerable to subsidised coal imports. It would be tragic to threaten the progress that British collieries are making for the very short-term gains from imported coal.

Mr. Allen: Will the hon. Gentleman apply his remarks to collieries in his constituency where a number of my constituents worked, notably Linby colliery, which was closed recently, Babbington colliery, which was closed two years ago, and Hucknall colliery, which was closed a year ago? All those collieries are either within or on the borders of the hon. Gentleman's constituency. Surely that is a product not of any ports Bill, but of the whole economic philosophy of the Government, as directed towards the mining industry? Where was the hon. Gentleman when those closures occurred?

Mr. Stewart: The hon. Gentleman should do his homework better. Hucknall colliery had £100 million of taxpayers' money expended on it and, when the twelfth seam of coal, which was expected to contain 25 million tonnes, was reached, there was nothing but sandstone. How does he expect to keep a business open with no coal? That is why it closed. It was closed with the agreement of the people concerned.

Mr. Speaker: Order. We are digressing from the subject of the debate.

Mr. Stewart: The threat to the progress made by British collieries has been endorsed in "Coal on the Market" by Michael Prior and Gerard McCloskey, which states:

"Much British deep-mined coal can compete well with imports in 1990—but by 1995 the mines should be competing so well as to restrict imports to the periphery of the power station market . . . By 1995 any saving made by an all-out import policy in 1990 would have disappeared and the

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electricity supply industry would be paying millions of pounds more for imported coal than by buying British . . . There is a severe risk that many deep mines which could compete with imported coal in 1995 will be closed by 1990 if the government encourage an early free-for-all on imports."

The UDM has always accepted fair and unfettered competition, but this potential threat to Nottinghamshire would be catastrophic. Already, restructuring has seen 15,000 men leave the industry with six pit closures. Today British Coal in Nottinghamshire employs 27,000 people, generating over £320 million to the local economy. It pays £5·6 million in rates and spends £130 million on goods and services, as well as being the largest industrial employer in the country.

The coal industry and its employees also generate further employment in the service sector and manufacturing industry. When the country faced a shutdown of the coal industry in 1984, it was the Nottinghamshire miners and their families who put their industry and country first. Since then, they have led the industry into a new era of successful industrial relations and productivity with one objective in mind—to stay in business. If the House rejects the Bill, they will do just that and the country's dividends will be tenfold.

9.39 pm

Mr. Alexander Eadie (Midlothian): One of the most significant points to emerge from the debate is that the Bill may be defective because the proposed site will be very close to the Calor Gas undertaking. It is unfortunate that, when trying to give the House information in response to a legitimate inquiry, the Minister appeared to say, "If there is a difficulty, Calor Gas will have to move to allow the port to proceed." We have probably identified why the Bill should not have been presented to the House. It is certainly defective in regard to Immingham.

The hon. Member for Brigg and Cleethorpes (Mr. Brown) put me in mind of the presidential election campaign fought by Barry Goldwater, the Republican candidate, whose friends thought up a phrase to help him which ran, "In your heart you know he's right." The hon. Gentleman tried to tell us that, in our hearts, we know he is right. The Democrats thought of another phrase, however. They came up with, "In your guts, you know he's nuts." We have an absurd proposition before us.

The Bill involves substantial sums of money—£34·5 million has been mentioned. I suppose that this is not the time to ask where the money is coming from, but it is fair to ask whether it is a wise investment. Some of us are worried about the impact of the proposed works on employment in other industries such as coal and railways.

I must protest at the limitation on the time available to debate this important issue. Many of my hon. Friends want to speak, but will be unable to do so. This is not a local issue, but a national one. We have to ask why the Bill exists. We have also to ask about the background to our debating it here.

The Bill covers quite a bit of country. It goes from Immingham in Humberside to King's Lynn in Norfolk and Port Talbot in West Glamorgan. It is estimated that the works at Immingham will cost £13·5 million and that those at King's Lynn will cost £4 million. I do not know whether it is a defect in the Bill or an attempt to keep us in sublime ignorance, but, although Port Talbot is mentioned, there is no estimate of what the works there will cost. The money involved in the Bill will be far more substantial than the figures that we have been given.

Some of my right hon. and hon. Friends have little doubt that the Bill has been sprung as a result of the Government's proposal to privatise the electricity supply industry. No doubt to get backing for his privatisation proposals, the Secretary of State for Energy announced that he would present no opposition to the purchase of foreign coal in preference to British coal. The Secretary of State calls that choice and working for the market. Coal importers all over the world cannot believe their luck to have such a push-over as the Secretary of State and this Government. We are aware of the history of the Department of Energy. Its terms of reference are to liquidate the nation's assets.

Substantial sums of money are involved in the Bill, so it is only right and proper to ask whether the proposed investment is worthwhile. It is geared, as the sponsor of the Bill confessed, to provide a facility for importing foreign coal. Millions of pounds worth of foreign investment is identified in the Bill, but does it make economic sense to accept that investment when by doing so we shall liquidate billions of pounds that have already been invested in the British coal industry, plant manufacturing industry and jobs? I shall explain what I mean when I talk about liquidating billions of pounds worth of investment. The hon. Member for Sherwood (Mr. Stewart) came close to answering the question when he said that it is nonsense to liquidate the billions of pounds that have been invested in the mining industry.

We recently had a debate on the coal industry and were able to identify what has happened to it. We were able to say that at the end of the miners' strike 169 pits had been closed and that by the end of March 1988 only 96 were likely to be left, even after three new pits had been opened at the Selby complex. Total manpower has fallen from 220,000 to 127,000—a reduction of 93,000, of whom 78,000 were mineworkers. Those are only figures and do not tell of the misery and pain that that caused mining communities. It went under the name of restructuring, and it was a contraction of manpower and job loss without parallel in recent times in any industry.

As to the market for British coal, there is little doubt that the industry's future is tied up with that of the electricity industry. Over 75 per cent. of British Coal's sales are made to the Central Electricity Generating Board and the South of Scotland Electricity Board. Since 1982-83, 70 per cent. of its total output has gone to those sources.

It is a matter of record—my hon. Friend the Member for Rother Valley (Mr. Barron) referred to this matter in his speech—that the CEGB told the Energy Select Committee in 1986 that it could import 30 million tonnes of coal within three years. Since that time, the Secretary of State seems to have been helping that process. He has given permission for the 8 million tonnes a year deep water port at Fawley near Southampton. The Bill is one of two that seeks approval for two ports on the Humber capable of handling 5 million tonnes a year. The SSEB has facilities to import 1 million tonnes.

Mr. Alan Meale (Mansfield): I am pleased that my hon. Friend is saying that foreign coal that comes into the dock, if it is approved, will go directly to the power stations. Is he aware that in the central area coalfields of Nottinghamshire, Yorkshire and the midlands, 65 million

tonnes is produced and supplied to local markets, and 50 million tonnes of that goes directly to power stations? Is he further aware that in Nottinghamshire, at Blidworth, 51 per cent. of the coal goes directly to power stations? I can also give the following figures: 80 per cent. at Calverton, 87 per cent. at Ollerton, 93 per cent. at Thoresby, 95 per cent. at Creswell, 97 per cent. at Harworth, 98 per cent. at Bilsthorpe, and 98 per cent. at Silverhill. At Bevercotes, Cotgrave, Sherwood, Welbeck and Clipston, 100 per cent. goes to power stations. Was my hon. Friend aware of that?

Mr Eadie: My hon. Friend has given accurate figures in his intervention. If I have time, I shall identify all the pits that are involved when we discuss importing foreign coal.

The Government seem to encourage those initiatives and act as if they were blind to the consequences for British Coal and its long-standing arrangements with the electricity industry. The free market is the optimum mechanism of planning the production of coal and electricity, despite the fact that Sir Robert Haslam, among others, has warned that the international coal market is not and is unlikely to become a free market.

We must bear in mind that the displacement of 30 million tonnes of coal could mean the closure of about 50 collieries and the loss of nearly 47,000 jobs. On the basis of the CEGB's schedule, the link between certain pits and power stations, and the cost structure of collieries, one can construct an impact table in which collieries are ranked from high cost to low cost.

I should like to confirm what has been said about the effect of the proposed works at Immingham on Yorkshire and Nottinghamshire. We are talking about eight pit closures involving 9,000 jobs. Mining communities can no longer afford such job losses.

In considering the proposals, I want to look at every area in the United Kingdom against the background of 30 million tonnes of coal imports—incidentally, the figure has been increased to 50 million tonnes.

At present there are four pits in Scotland. There will be none left. In the north-east there are seven pits, and one will be left. In north Yorkshire there are now 14 pits and six will be left. In south Yorkshire there are 19 pits and 11 will be left. In Nottinghamshire there are 19 pits and 10 will be left. In the central area—the midlands and north Derbyshire—there are nine pits and four will be left. In the western area there are 11 pits and six will be left. In south Wales there are 14 pits and five will be left. There will be a slaughter.

Mr. Lofthouse: Does my hon. Friend agree that, apart from the 50,000 men in the mining industry to whom he referred, another 30,000 in supporting industries will be made redundant?

Mr. Eadie: I was coming to that point, but I gather that I must leave time for the hon. Member for Brigg and Cleethorpes, who is sponsoring the Bill, to speak. [HON. MEMBERS: "No."] That is fair enough. I shall go on because I have a great deal more to say.

I want to protest on behalf of my hon. Friends in the only way that is possible now. We are not debating the issue adequately. It is a national issue. The average age of the men in the mining industry is 34 and they are being thrown on to the scrap heap. That is a scandal.

Mr. Martin M. Brandon-Bravo (Nottingham, South): Will the hon. Gentleman watch the clock so that one more speaker from the Conservative Benches may speak? He may find that there is support from these Benches for his arguments.

Mr. Eadie: If I allow time for one more speaker, it has to be for an hon. Member who has been here during the debate. If the hon. Gentleman wants to take part in the debate, he should attend throughout.

I wish to develop some of the important arguments. We must look at the point raised by the hon. Member for Sherwood, my hon. Friend the Member for Rother Valley and to some extent by my hon. Friend the Member for Stretford (Mr. Lloyd). What about the cost of this proposal? I have said already that it is stupid to talk about an investment of millions of pounds to liquidate an investment of billions of pounds. We can look at the cost of the kind of proposal in the Bill.

British Coal figures that were prepared for the Manvers colliery independent review body hearing show that the average cost of making a Manvers miner redundant under the existing scheme is £24,700 by way of lump sum payments. If those payments were made to 47,000 more miners, the cost would be £1·16 billion—not millions. The Government have already paid out in excess of £2 billion in redundancy payments to miners. There must be added to those figures the annual cost of unemployment in lost taxes and national insurance contributions, and in unemployment payments. The total cost of redundancies in the coal or related industries is likely to be around £7,000 million. Although I talked about 47,000 miners becoming redundant, there could be 78,000 or 79,000 jobs lost altogether. The sponsor of the Bill has told us about jobs involved in his proposition. Any fair-minded person seeing his proposition, which put thousands of jobs in danger, will realise that it is the economics of bedlam and lunacy.

Mr. Michael Brown *rose in his place and claimed to move,* That the Question be now put, but MR. SPEAKER *withheld his assent, and declined then to put that Question.*

Mr. Brown: On a point of order, Mr. Speaker. Of course, I respect your judgment in these matters. I am not seeking in any way to challenge it, but I would draw your attention to your own comments last Friday 6 May, in column 1147 of *Hansard.*

You kindly undertook that you would have regard to points of order being taken out of time in a debate. I realise that was on an amendment and that we are now talking about a Second Reading. However, when the Chairman of Ways and Means was in the Chair, I sought to move the Second Reading of the Bill at 7.35 pm and for half an hour of my speech there were a number of points of order. I would have thought, Mr. Speaker, that you might have borne that fact in mind when considering my request for a motion to put the Question.

Several Hon. Members *rose*——

Mr. Speaker: Order. All those factors are borne in mind, but I have also to bear in mind the fact that many hon. Members on both sides of the House still wish to take part in the debate.

Mr. Eadie: I want to begin to conclude my remarks. We have learned tonight that a Department of Energy Minister has stated that the Government intend to

[Mr. Eadie]

privatise the coal industry in the next Parliament. I believe that the Bill is related to that. We will be talking about more and more job losses in mining.

The Government tell us that they are very cost conscious. They are not. This is probably one of the most extravagant Governments in living memory. I could go on to identify——

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

European Community (Indirect Tax Harmonisation)

10 pm

The Economic Secretary to the Treasury (Mr. Peter Lilley): I beg to move,

That this House takes note of European Community Documents Nos. 8199/87 on indirect tax rates and structures, 8200/87 on value added tax rates, 8201/87 on the removal of fiscal frontiers, 8202/87 on a value added tax clearing mechanism for intra-Community sales, 8203/87 + COR 1 on convergence of rates of value added tax and excise duties, 8204/87 and 8205/87 on taxes on cigarettes and other manufactured tobacco, 8206/87 on excise duty on mineral oils and 8207/87 + COR 1 on excise duty on alcohol.

Mr. Speaker: I have selected the Opposition amendment.

Mr. Lilley: This is a very timely debate. Next weekend the Economic and Financial Affairs Council, hereafter known as ECOFIN, is meeting informally to discuss approximation. It is right that the House should have the opportunity to discuss these matters beforehand, if not to hear them. I know that my right hon. Friend the Chancellor of the Exchequer will study carefully the views that will be expressed by hon. Members tonight.

I am very grateful both to the Select Committee on European Legislation and to the Treasury and Civil Service Select Committee for their invaluable reports. Both reports confirm that, in most significant areas, the Government's overall approach is one which most hon. Members support.

Perhaps it would help if I summarised the three main features of the Commission's proposals. First, the Commission has proposed the approximation of value added tax rates. All member states would apply two positive rates—a standard rate between 14 per cent. and 20 per cent.; and a reduced rate between 4 per cent. and 9 per cent. There would therefore be no scope to apply a zero rate. The reduced rate would apply to foodstuffs, excluding alcohol, energy for heating and lighting, water, passenger transport, pharmaceutical products, and to books, newspapers and periodicals. All other taxable items would be standard rated.

The second major feature of the proposals is that exports would no longer be zero rated. Tax would be charged across frontiers, at a rate applicable in the exporting country. A clearing house would reallocate displaced revenues to member states in which goods or services are consumed.

Third, the Commission has proposed a complete harmonisation of rates on excise duties. The proposed rates are based on a mixture of weighted and arithmetic Community averages.

Before commenting on the proposals, I should emphasise that the Government share the Commission's ultimate objective to create a single internal market by removing unnecessary obstacles to trade. We are wholeheartedly committed to that, but, as we have already made clear, we have fundamental difficulties with the Commission's approach.

We simply do not think it is necessary for the completion of the internal market that tax rates be approximated. Moreover, we have a major difficulty with the Commission's proposals for zero rates. As drafted, the

proposal makes no provision for zero rates, although the Commission has hinted at temporary derogations for member states with particular difficulties.

We have made specific pledges to the electorate to retain zero rating on food, fuel and power, and children's clothing. I can assure the House that we neither wish nor intend to resile from those pledges. So I would have been happy to accept the amendment in the name of my hon. Friend the Member for Thanet, South (Mr. Aitken) and our hon. Friends.

Mr. Teddy Taylor (Southend, East): In view of the Minister's spendid assurance about VAT on fuel, if the European Court of Justice tells the Government in about three weeks' time that they are breaking the law by not levying VAT on gas and electricity on industry and commerce—on every small and big firm in this country—will the Government stand firm and reject the European Court's decision?

Mr. Lilley: We are talking about fuel and power for domestic consumption, which is not an issue in the infraction case. If the infraction case were to go against us in the matter of fuel and power for industry, that would not represent a burden for industry. It would be offset against the value added tax levied on output.

Apart from the specific pledges of zero rating on other goods, no specific pledges have been made that would restrict the freedom of action of my right hon. Friend the Chancellor of the Exchequer. We believe that it should remain for my right hon. Friend, who is responsible to this Parliament, to decide whether to retain zero rates on the items on which specific pledges have been made.

Mr. Michael Foot (Blaenau Gwent): Is there any good reason why we should not now have a pledge on books and newspapers, an issue that has caused so much interest and concern? Why cannot we have a simple pledge on that score, which would relax or remove some of the controversy?

Mr. Lilley: It has been the practice of successive Governments not to limit the freedom of action of Chancellors of the Exchequer in that way. In the exceptional circumstances of a general election, specific pledges were made. We do not intend to limit the freedom of action of my right hon. Friend the Chancellor of the Exchequer in any other way. My right hon. Friend made it clear at the meeting of ECOFIN in November 1987 that the United Kingdom cannot accept proposals that would in any way restrict its ability to retain zero rates of VAT.

We have other areas of difficulty with the Commission's proposals of which the most important are its proposals for excise duty on alcohol and tobacco. The Commission's use of average rates means that in the United Kingdom the duty on alcoholic beverages would fall by between 40 and 85 per cent. while the duty on cigarettes would fall by about 10 per cent. Changes of this magnitude would have a marked effect on Britain's health and social policy. We have made it clear that the United Kingdom has fundamental difficulties with the Commission's approach in this respect.

Mr. Bob Cryer (Bradford, South): As the Minister knows, the difficulties that he has described will return again and again, producing uncertainty in the publishing industry, for example, and in other areas to which he has referred. Can he say that the chief organiser of these difficulties, Lord Cockfield, who is an appointee of the Prime Minister—he is the source of all these ridiculous proposals—will be replaced when his term of office comes to an end? In that way the source of these difficulties will be diminished.

Mr. Lilley: No, I cannot give that assurance. I can say to the hon. Gentleman that Britain is not alone in having problems with these proposals.

Mr. Michael Fallon (Darlington): My hon. Friend has spoken of the Government's objection to the changes in excise duty on tobacco and their objection to the magnitude of the change that would be involved. Will he confirm that the Government object also to the sheer crudity of taking an arithmetical average as a means of achieving the harmonisation of excise duty?

Mr. Lilley: I have said that we do not think that it is necessary for achieving the ultimate objective, so I am inclined to accept my hon. Friend's point of view.

As I have said, the United Kingdom is not alone in facing difficulties with the proposals. Almost every member state has problems with the concept of a clearing house for VAT revenues. As proposed, the clearing house would be largely unaccountable, inauditable and open to fraud. The overall tax proposals would cause some countries that rely heavily on indirect taxes to lose a substantial amount of Government revenue, and others would have to increase indirect taxes substantially, or even impose them for the first time, on specific products.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Will my hon. Friend accept that many of us have a tremendous amount of sympathy for him in his position, he being at heart a sensible person who is living in a world of nonsense? How can it be right that those of us who like to smoke, as I do every now and again, and those who like to drink, as I do every now and again, will find that harmonisation will make drinking and smoking cheaper and make all other sensible things more expensive? Many of us accept that 1992 will be a good year for this country, but how can harmonisation be anything other than a great nonsense?

Mr. Lilley: I admire my hon. Friend's integrity in being able to withstand the prospect of cheapening his vices, and opposing the proposals which would bring that about.

We ought not to forget that the ultimate objective, both of the Commission's proposals and of our own approach to the internal market, is to dismantle unnecessary barriers to trade. The Commission has made clear the fact that it views its proposals simply as a necessary precondition of obtaining agreement on the dismantlement of barriers. Unfortunately, there is now a danger of getting bogged down in disagreements on that intermediate step. Therefore, attention is turning to the idea that we should move directly to starting to dismantle unnecessary barriers.

Mr. John Butterfill (Bournemouth, West): Does my hon. Friend agree that, in the United States, the fact that different states impose individual levels of local tax appears to create no such barriers? Is that not a much better model for the European Community than the line proposed by the Commission?

Mr. Lilley: My hon. Friend makes an important point, and it is one that I intended making. I am grateful to him

[Mr. Lilley]

for making it for me. He is correct in saying that experience in the United States has shown that individual states can retain fiscal powers without damaging the self-evident internal market that the United States as a whole possesses.

Differences in VAT rates in Europe are usually small by comparison with the other factors that may affect prices either side of national borders and bring about a cross-border trading distortion.

Mr. Tony Lloyd (Stretford): Does the Minister accept that VAT on public transport is a relatively small component compared with the subsidy which most other European nations apply to their public transport systems? Will the Minister ensure that our partners in the Community accept that fact, before insisting that we impose VAT on our largely unsubsidised fare levels?

Mr. Lilley: I accept the hon. Member's point, but I do not believe we shall need to deploy that argument because of wider differences and difficulties which we are not alone in facing.

The Commission itself has acknowledged the attractiveness of taking steps towards beginning to dismantle barriers before starting on the process of approximation. We believe there is ground for hope in that respect.

Mr. Ron Leighton (Newham, North-East): Instead of saying that the Government have difficulties with these matters, why cannot the Minister make a clear and unambiguous statement, with no here or there, that the taxation of the British people is a matter for the House and for no one else? We should be taking these decisions, not a body unelected by the British people and not removable by them.

Mr. Lilley: I gave clear and unequivocal pledges in the matter of zero rates, as the hon. Gentleman will recall. We have already conceded in some respects the power to tax to the European Community. Not long ago, I reported to the House the European Court of Justice case affecting spectacles, which ruling the House will be bound to observe—and the Government accept that it is so bound. I could not go as far as the hon. Gentleman wishes.

The Opposition amendment has been selected for debate and I presume that its intention is to ensure tighter parliamentary control over European fiscal legislation. I have every sympathy with that objective. However, the amendment ignores the excellent work of our European Select Committee in ensuring that Commission proposals are debated before they are finalised. The amendment will also hamper the Government's ability to negotiate forcefully on Britain's behalf, as well as making it harder for member states ever to achieve agreement. It is unworkable and unnecessary. I imagine that that is why the procedure incorporated in the amendment was firmly rejected by the last Labour Government.

Mr. Nigel Spearing (Newham, South): Is the Minister saying that, important though the Procedure Committee precautions are, he is denying the right of the House to decide what tax shall be placed upon the British people? If he is saying that, he is rolling back 300 years of constitutional history.

Mr. Lilley: I have just been reading the reports of the debate in 1976, in which the hon. Gentleman took part. His Government were then preparing to negotiate the sixth VAT directive. He made a similar point then and failed to persuade his own Government, and I am afraid he will not persuade me. It will be interesting to hear how erstwhile members of that Government and their supporters square the contents of the amendment with the practice of the last Labour Government.

Mr. Spearing: What about the Single European Act?

Mr. Lilley: This is not changed one whit by that.

It is still early days. Last November, ECOFIN referred these proposals from the European Commission to its economic policy committee for economic evaluation. The committee's interim report to ECOFIN in April highlighted many of the problem areas inherent in the Commission's proposals. The committee recommended that, irrespective of what Ministers eventually decided about harmonisation, member states should take steps as soon as possible to reduce obstacles to trade. That is an approach with which the Government can heartily agree.

Ultimately, any change to European tax law requires the unanimous agreement of member states. So the United Kingdom's position is safeguarded and there is no question of our being obliged to accept proposals with which we disagree. I repeat: the pledges that we have given to the electorate on zero rates are firm commitments by which the Government stand.

I have deliberately kept my remarks as brief as possible to enable as many hon. Members as possible to contribute. The purpose of the debate is to allow the Government to sense the feeling of the House. I look forward to hearing the views of hon. Members before ministerial discussion of these proposals gets under way.

10.17 pm

Dr. John Marek (Wrexham): I beg to move, at the end of the Question to add:

'and supports the Chancellor of the Exchequer in his recent statement that value added tax harmonisation is a distraction; and resolves that no Minister of the Crown shall give assent to any European Economic Community Instrument that authorises variation in the scope or rate of value added tax or excise duties payable in the United Kingdom unless authorised to do so by a Resolution of this House.'

We accept that frontier controls play a part in the control and administration of value added tax and excise duties for the United Kingdom. The Commission proposes their abolition by 1 December 1992 and says that great benefits will accrue to the Common Market as a result. Lord Cockfield, the Common Market Commissioner who is in charge of creating the single European market, said at Monday's launch of a book on the Cecchini report that the case for integrating the economies of the member states was fully proved. The study is optimistic about the effects of achieving a single European market, and we do not disagree with that, although we reserve our position on the degree of projected economic improvement.

The Commission says that it is essential that VAT and customs and excise duties be harmonised within the Community so that frontier controls can be abolished and a clearing house can be established to redistribute VAT and allocate it to the member states of the Community to which it is due.

I do not believe that these measures are necessary for further economic progress within the Community. Other

factors affect company decisions about where to locate and the main conditions that are necessary for fair competition. Differences in costs to industry and variations in tax structures between member states are certainly two such factors. The Commission has conducted a survey of 11,000 business men and the results show that the various VAT rates are not thought to be a serious barrier to intra-Community trade. The survey, which was carried out in 1986 by the Bureau Européen des Unions de Consommateurs, found that prices of pharmaceuticals varied by as much as 500 per cent. between member states. Video recorders were 63 per cent. more expensive in Denmark than in the Netherlands, despite the fact that VAT was only 4 per cent. higher in the former. Prices of spare parts for well-known makes of car vary between countries by up to 52 per cent., before VAT. So I am sure that the rate of VAT and indirect taxes are not important for companies when making their decisions on location, or for competition and pricing policy. It is far more likely that the availability or otherwise of regional development grants, for example, will be seen as more important.

However, there are some problems with the present system. The main justification for VAT harmonisation is the Commission's desire to keep cross-border shopping under control. That happens to some extent in areas such as Luxembourg, the Rhine valley and the border between Denmark and Schleswig-Holstein. I have not heard the Danish Government complaining too bitterly about the cost of the present system, nor have I heard such complaints from the countries surrounding Luxembourg.

The United States manages to live with different taxation in different states despite urban borders such as that between New York state and New Jersey. There are liquor shops in one state but not in another in places throughout America, but that is not seen as intolerable.

The problem, if problem there be, is that a member state of the Community can attract retail customers by levying a lower rate of VAT than its neighbour. If the rate is sufficiently low and the geography is favourable, for example, if there is no Channel, and if the articles or goods are suitable—funerals, for example, are clearly not suitable—retail customers may be attracted across the state border.

That outlines the problem with the Commission's proposals. In order to overcome what may be a problem between some states in some places in the EC, the Commission proposes an all-embracing set of rules. First, it is surely not necessary to set an upper limit to any range of VAT as it is the possibility of member states bidding one another down that causes cross-border shopping problems. Secondly, Commission-identified problems do not occur throughout the Community, but only in some places. The United Kingdom, because of the Channel, is virtually unaffected by different VAT rates in other member states. Again, other factors are more important. Thirdly, some goods, as I have said, such as funerals, are simply not subject to cross-border shopping.

There are other reasons for not accepting the proposals. If implemented, through the extension of the VAT base, they would affect the standard of living of the poorer households. I know that the Government do not care one jot for those. That has been shown by their Budget measures and the cuts in social security and housing benefit——

The Chancellor of the Exchequer (Mr. Nigel Lawson): Unworthy.

Dr. Marek: It is not unworthy; it is absolutely right. The Government do not care one jot about the standard of living of the poorer households. However, enough of that. There is some cross-party accord on this matter and I shall endeavour to be diplomatic from now on. Nevertheless, the poorest households will be hit hardest if VAT is charged at positive rates on items such as food, energy or public transport.

For example, households on an income of under £60 a week—that includes many households with pensioners and people who are unemployed—spend 43 per cent. of their incomes on goods that are currently zero rated. That is made up of 23 per cent. on zero-rated food and 20 per cent. on other zero-rated items. Contrast that with moderately wealthy families on £450 a week. They spend only 19 per cent. of their incomes on zero-rated goods—10 per cent. on food and 9 per cent. on the others.

Looking at the matter another way, the poorest fifth of all households spent 24·7 per cent. of their disposable incomes in 1985 in direct taxes compared with the top fifth who spent only 18·6 per cent. Many of those poorer households are too poor to pay income tax, but they spend one quarter of their income on other taxes. That is one of the most important statements that I shall make tonight.

The imposition of VAT on books, periodicals and newspapers will damage the quality of those items. It will damage the financial viability of regional and local newspapers. It will be a tax on knowledge. It will be a tax on bibles. It will reduce the number of books available to public libraries and schools. I am sure that many of my right hon. and hon. Friends will wish to make those points much more pungently than I do. The social benefits of reading cannot be disputed. That is particularly true at present when there is considerable anxiety about the problems of illiteracy. It would be an act of madness to restrict access to the printed word, inevitably hurting the poorest and weakest members of our society when education reform deserves a place near the top of any political agenda.

The printed word is not limited to books.

Mr. Barry Porter (Wirral, South): Will the hon. Gentleman give way?

Dr. Marek: I shall give way once, but it will be the last time because I want to put the Opposition's case and, like the Economic Secretary, I want to give Back Benchers plenty of time to make their comments in this short debate.

Mr. Porter: As the hon. Gentleman knows, I admire his intellect, but if he would halve his pace and double his volume, we might be able to understand what he is saying.

Dr. Marek: I take that as a helpful comment. Perhaps it should be addressed to those who control the microphones. If they could double the volume, we might get somewhere.

The Government would do well to remember the words of the late Iain Macleod, when VAT was first introduced in the United Kingdom:

"On the general principle of avoiding tax on knowledge we intend that books, journals, newspapers and broadcasting should be at zero rate."

I wonder what has happened to the Conservative party since then.

[Dr. Marek]

The effect on deaf people will be noticeable and adverse. Amplifying aids that allow the hard of hearing to use the telephone and enjoy television would be made to bear VAT as would visual alarms such as flashing doorbells or vibrating pillow alarms. It would be VAT not at the lower rate but at the standard rate—a minimum of 14 per cent. if the Commission's proposals go through unamended. The proposals would also require charity shops to charge VAT on donated goods sold retail.

All that is being proposed with a view to abolishing frontier controls, but frontier controls will almost certainly not be abolished because they will be necessary for public security and to control drug trafficking and immigration. It has not been demonstrated that for the abolition of fiscal frontiers VAT needs to be harmonised. Tax adjustments for goods crossing intra-Community borders do not have to be made on site, with documents on the spot; they can be made elsewhere. There is no reason for upper limits on VAT, and any lower limits ought to be left to the countries affected by cross-border problems to sort out. At the very least, the lower band must be made to start at zero if it is ever introduced. It is right and necessary for some items to be zero rated and our present zero-rated goods and services account for about one quarter of total consumer expenditure in the United Kingdom. There may just be a case for a minimum duty or tax on fuel oil, used by industry, because that feeds into industrial costs, but I can think of no other instance in which a case can be made out.

It is unacceptable to impose a minimum of 14 per cent. on children's clothing in place of the present zero rate. It is unacceptable to put VAT on food. It is a pity that some food carried VAT already, although I realise that there are problems because of the revenue that it brings to the Treasury. It is unacceptable to raise VAT on items such as energy, books, newspapers, medicines and transport. As the Prime Minister said before the last election,

"Look, if anyone tried to put VAT on children's clothes and shoes they would never, never, never get it through the House."

Three times, the Prime Minister said "never". The purpose of our amendment is to make absolutely sure that any such measures come through the House, and I hope that I have the support of hon. Members on both sides of the House on this important matter.

The amendment merely seeks to support the Chancellor in the difficult negotiations that he will have. It is a supportive amendment to enable the House, representing the people of this country, to decide these issues. Equally, the amendment is not intended to antagonise the Commission or other members of the Community, as they value democracy as much as we do.

Let me deal with the harmonisation of excise duties. The Commission's proposals would mean that the tax would go down by about £2·40 on a bottle of spirits and by about 75p on a bottle of wine. There would be a considerable increase in the consumption of alcohol, with appreciable injurious consequences to the health of the nation. We must remember that alcohol-related problems already cost the country about £2 billion a year. The cost of a packet of cigarettes would fall by 12p with a resulting increase in smoking and consequently in illness and deaths from lung cancer.

Those effects would be just as unacceptable to the country as the imposition of proposals to harmonise VAT. In any case, there is likely to be very strong opposition to the proposals on excise duties by various member states such as Spain and Portugal. It must be best to preserve the ability of each member country to set its own excise duties.

An alternative method of controlling and administering the movement of dutiable goods across frontiers is by a system of revenue marking for goods that leave the linked bonded warehouse system that is proposed. Particular markings would give a right for a product to be sold in any particular part of the Community in uniformity, and uniformity in duties would not be required. Cross-border retail shopping would occur in some areas, but, again, for reasons previously stated, I do not consider that to be an important or insurmountable problem.

The Opposition wish to suspend judgment on any such system, and merely ask the Economic Secretary about its costs. How much will it cost to operate? What will its compliance ratio be? Would evasion be possible on a large scale, or by a few criminals? Would there be any variance in those answers if the questions were asked about different states in the Community? If there is an EEC summit meeting, some compromise by the United Kingdom will be inevitable. Will such a system be regarded seriously by other member states, and will it have general approval from the public? If that cannot be demonstrated, I foresee great problems, as harmonisation of excise duties is not an acceptable solution.

I also ask whether there is a further hidden agenda and whether the Commission is putting forward its proposals not only on the specious ground of the necessity of abolishing frontier controls, but because it eventually wishes to harmonise corporation and income taxes. If so, it should tell us and clearly spell out its long-term intentions.

I shall make one final point on the proposed clearing house for VAT reconciliation payments. Companies will have to be careful about their documentation of imports, but as the revenue authorities will be able to recover their money from the clearing house, I imagine that many member states will not be too precise about exactly what was imported. A whole new bureaucracy will be created and our experience with the CAP should make us shudder. What will happen when the inevitable happens and the clearing house cannot balance the books? A rough and ready solution may be found, but we may be sure that this country will lose out. Our collection system is more efficient and more accurate, and as a result, as usual, we will lose out if such a system is established.

Mrs. Boothroyd—I mean Madam Deputy Speaker—I apologise. Yesterday, you were Mrs. Boothroyd and today you are Madam Deputy Speaker.

Madam Deputy Speaker (Miss Betty Boothroyd): Order. I have never been Mrs. Boothroyd in my life.

Dr. Marek: I hope I have shown that the harmonisation of VAT and excise duties is, to use the Chancellor's word, a distraction from the aim of the unified market in 1992. It is unnecessary for achieving the aim of abolishing frontier controls. The problems of distortion of competition by the judicious use of excise duties can be solved in a different way.

The Opposition are resolute in their insistence that zero rating should continue to apply for essentials such as food, children's clothes, fuel, transport, medicines and other important items that are free of VAT at present.

Derogation is not enough as it may not be permanent. By the time that derogation is considered the argument will have been abandoned.

Our amendment supports the Chancellor of the Exchequer in his attempts to persuade the Economic Community of the correctness of those arguments. It also seeks to commit any Minister—a Tory Minister or a subsequent Labour Minister—to consult and receive the assent of the House before any change is made to the rates of VAT or excise duties payable here. In doing so, it is setting out unequivocally the wish of the House that any powers to be given to the Economic Community or any changes in VAT or excise duties will be made as a result of a decisiom of this House. I recommed that the Government accept the amendment and invite all hon. Members to support it in the Lobby if necessary.

[Dr. Marek]

10.34 pm

Mr. Terence L. Higgins (Worthing): My hon. Friend the Minister rightly said that this is a timely debate. It provides the House with an opportunity to express its views in advance of the EEC meetings that are about to take place. The Minister was kind enough to say that the Treasury Select Committee's third report on the "European Commission's Proposals on the Approximation of Indirect Taxation" is invaluable. That is the best compliment that the Committee has received so far on any of its reports.

In responding to that report the Government made it absolutely clear that they agree with the Committee's views. It is important to consider the arguments that we addressed in the report, but the fundamental point is the one that the Government accepted. They said:

"The Government agrees with the Committee that the European Commission has not demonstrated that tax approximation is necessary for the completion of the internal market."

I agree with the Minister about the importance of working towards the completion of the internal market, but I feel bound to say that proposals of the kind that we are debating this evening do not advance the cause of creating a common internal market. On the contrary, they are likely to prove extremely divisive. Therefore, I hope that the House will back the Government by saying that there is no need for these measures and that it is important to preserve the concept of zero rating.

The evidence that the Committee took from Lord Cockfield was valuable and it is attached to the report. It highlights a number of important points. It shows clearly that Lord Cockfield is preoccupied with the need to remove customs barriers, whatever the cost in terms of distorting the Community's tax system. I am not unbiased. Almost 15 years ago I had the task of steering through the original legislation on value added tax. When we were preparing for that series of debates we had the advantage of seeing the mistakes that had been made elsewhere in Europe. We learnt from those mistakes. We devised a system of indirect taxation, value added tax, which in my view is vastly superior to any other system in Europe.

That system had two essential features, the first of which was that we should have zero rating, which meant that essential items, such as food, would not be taxed. When we introduced value added tax we abolished selective employment tax, which had caused great anguish, and also purchase tax. The objectionable feature of purchase tax was that it was a multiple-rate tax that sought to discriminate between one item and another. We said that we intended to abolish purchase tax and that instead there should be zero rating for essential items, with above that a single positive rate so that distortions would not arise.

This is a retrograde proposal. It will mean a return to asking whether one item is a luxury and whether another is not a luxury. If there is to be harmonisation, it is important that it should be introduced on the basis of the best available type of tax. I believe that that is the one that we have. We should fight in Europe for zero rating and for a single positive rate of tax.

Lord Cockfield and the Commission propose, not exactly the lowest common denominator, but what would be the easiest to negotiate by averaging all items. It would result in a hotch-potch which nobody would be happy with and which anybody who gave any thought to the matter would realise was unsatisfactory. The only reason for such a proposal is that it would lead to the removal of customs posts. That seems to me to be the question that preoccupies the Commission, rather than the creation of a sensible taxation system.

There are very real problems, and in his evidence Lord Cockfield made it clear that costs may have to be borne if one is to retain a degree of independence. If that is so, it may be worthwhile paying the price in VAT. As was rightly pointed out a moment ago, we are also concerned with harmonising indirect taxes of other kinds, particularly the revenue duties on tobacco, alcohol and so on. Again, these are taxes which over the years the House has debated for many hours, days and weeks in some cases.

The taxes are imposed for good social as well as revenue reasons. It is wrong to suppose that the arguments can suddenly be overwhelmed in the interests of so-called approximation. It will not be easy to harmonise, because there are many interests in the Community, particularly in countries which produce alcoholic drink, including this country, where the social arguments may be countered by arguments on behalf of the producers. None the less, it would be absurd if we were to reduce the tax on tobacco, for example, by 12p a packet when we consider the costs that tobacco puts on the Health Service. Surely that is one reason why we should not agree with the proposals.

The Government should tell the Commission that we are not prepared to go along with the abolition of zero rating and the other measures that it proposes. The Treasury and Civil Service Committee suggested that we should make that clear at the outset, otherwise in the course of the negotiations it would be one counter to be traded. We should say at the start that any question of abolishing zero rating is not on and then proceed to negotiate on other aspects on which it may be necessary to make concessions.

I shall not speak for much longer, because many other hon. Members wish to speak, but I want to stress that the danger of going along the route of approximation is that we will be stuck with the outcome. There is no existing machinery within the Community for changing it except by reopening the whole package. Therefore, we would be giving up a major fiscal weapon which is necessary to reflect the difference between one country and another until such time as we gradually become a single market. It would be dangerous to say that we will put the whole weight of economic management within the United Kingdom on to direct rather than indirect taxation. I do not have time to develop that aspect, but it should be considered.

I make one final point to the Opposition. I hope that I may have the attention of the shadow Chancellor. The Opposition, together with many other hon. Members, have put down amendments to the motion. It is extremely important that we remain united on the issue. I do not believe that there is any difference in the House on it. We have heard why the Government cannot accept the Opposition amendment. Having expressed their views, the Opposition should not press the amendment to a Division, because that would create the impression that there is disagreement. I believe that the House is united in opposition to the abolition of zero rating and the other proposals, which are not only damaging, but unnecessary.

10.43 pm

Mr. A. J. Beith (Berwick-upon-Tweed): In following the right hon. Member for Worthing (Mr. Higgins), who chairs the Treasury Select Committee, I can add evidence to the united feeling in the House on harmonisation. I, too, am strongly opposed to it. Indeed, it is an extraordinary achievement of the Commission that it has managed to unite those who are in favour of British membership of the EEC and of the development of the single European market and those who are wholly opposed to both concepts. That seems to have been a slightly perverse thing for Lord Cockfield and others to have set about doing.

The right hon. Gentleman referred to the Select Committee discussions. There was a curious exchange in the Select Committee. I refer not to the exchanges between the noble Lord Cockfield and the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) which had a rather more acerbic quality to them, but to the point where Lord Cockfield said:

"in the Global Communication we said that the Member States should study the proposals and they should respond to them and we are waiting for them to respond".

The Government have taken the view that it would be inappropriate to respond by that means and that they should simply do so by speaking at the ECOFIN meeting. It was curious that there should be a breakdown in communication and that the Commissioner should be under a wholly different apprehension from the Government about how those discussions were to proceed.

Mr. John Marshall (Hendon, South): Do I hear the hon. Gentleman correctly? Is he now going against the proposals put forward by the hon. Member for Caithness and Sutherland (Mr. Maclennan), the leader of his party, only a few weeks ago?

Mr. Beith: I am happy to say that I am and that I did so at the time. If Conservative Members had been as successful in dissuading their party leader from pursuing unwise and mistaken tax proposals as we were, they would not now be saddled with the poll tax.

The act of harmonisation was in no way necessary for the achievement of the internal market. The achievement of the internal market is extremely important and valuable to this country. I was genuinely pleased to hear the hon. Member for Wrexham (Dr. Marek) assert that the Labour party believes that the creation of a single internal market is of importance and value. I did not hear loud cheers from behind him, but his assertion is welcome.

As the Chancellor of the Exchequer said, the measures are a distraction from the achievement of a single market and an irritant. They are just the sort of measures that get the European Commission a bad name and undermine the effort to achieve wider European unity. They are not necessary because it should be obvious to the Commission that it is possible to have different levels of taxes at the point of sale in a single economic unit without making the coherence of that unit impossible to maintain.

The United States has been quoted as an example of a country with widely varying sales taxes. It is perfectly feasible to have different levels of taxes operating at the point of sale and those differences do not alter the price to the customer of a commodity in the country in which he buys it. If they had a direct bearing on the price of the product in that country, they would represent a distortion of trade, but they do not have that effect and, therefore, they are not a significant impediment to the internal market.

Value added tax has not caused most of the differences in prices of commodities between Britain and other Community countries. VAT did not make cars enormously cheaper, for a period, in Belgium than they were in the United Kingdom. It was primarily the manufacturers' pricing policies which led people to buy cars in Belgium and import them into the United Kingdom and which led the Government into all those complications about whether they should be left-hand or right-hand drive cars. That was the manufacturers' pricing policy responding to the market conditions. We hope that those conditions will change in a single internal market, but VAT was not the cause of those conditions.

An alarming down side would result from harmonisation, which would not allow for a rational decision about the tax level. That is of course true in the case of VAT because of the effect on major budget items, such as children's clothes and food, and on items for which, for other reasons, we think it important to keep zero rating, for example, books and newspapers.

It becomes particularly powerful as an argument when we consider excise duties. The idea that we should now reduce the price of a bottle of spirits by over £2 is absurd, given the enormous problems that are known to exist with alcohol and the fact that a ministerial committee is currently considering ways of tackling the problem and has had lamentably little influence upon the Chancellor so far. Similarly, a 12p reduction in the price of cigarettes would be absurd.

I am prepared to contemplate that, in the future, Europe might, in a concerted way, work out what might be a sensible health policy to guide taxation in some of those areas. However, we are a long way from that at present and we are certainly not in a position where it would be logical to determine the price of those commodities and the tax burdens on them by a process of averaging what is done in this country and what is done in Greece, which is at the opposite end of the scale.

Mr. Nicholas Winterton (Macclesfield): I am listening carefully to the hon. Gentleman, who appears merely to be repeating what so many hon. Members have already said. I wonder whether the hon. Gentleman is advising the House, and me in particular, about how we should vote at the end of this important debate. Is the hon. Gentleman saying that the Government's stand is not strong enough, or is he merely repeating arguments that the hon. Member for Wrexham (Dr. Marek), the Government and my right hon. Friend the Member for Worthing (Mr. Higgins) made? I would appreciate it if the hon. Gentleman could say what he thinks the House should do.

Mr. Beith: I am not saying that the Government's stand is not strong enough, but I would have welcomed a clearer and more unequivocal pledge from them on books and newspapers.

Dr. Marek: They did not make a pledge.

Mr. Beith: That is right. The question that I was asked did not concern books and newspapers; it was whether I think that the Government are taking a firm enough stand on the harmonisation proposals of the European Community. As far as I can see, they are. I have mentioned

[Mr. Beith]

the apparent failure of communication between Lord Cockfield and the Government. It may be that Lord Cockfield is the one who has got the procedure wrong. No doubt the Minister will clarify that at the end of the debate.

Mr. Lilley: I think that I can offer the hon. Gentleman a better answer to give my hon. Friend the Member for Macclesfield (Mr. Winterton), who wanted to know to whom his remarks were addressed. They were addressed to the dual leadership of his party. The motion that the hon. Gentleman would have liked to support, and which I would have been happy to endorse, says that the

"objective of establishing the internal market in 1992 in no way requires the approximation of value added tax rates and excise duties".

"Hear, hear", we all say, but the hon. Member for Caithness and Sutherland (Mr. Maclennan) and the right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) went on record saying:

"Europe cannot get rid of its internal customs barriers so long as VAT rates within the Community range from zero to 38 per cent."

Admittedly that was in a manifesto which, after being declared dead as a parrot, became a personal statement of deeply held views, but has the hon. Gentleman been able to overcome the deeply held views of the leaders of his party?

Mr. Beith: I think that it is on record that I have. When I gave way to the Minister I thought that he would throw some light on the matter for which he is responsible, which is telling Lord Cockfield the Government's view on the matter. As he has failed to do that now, I hope that he will be able to shed some light on it later. I am sorry that the hon. Gentleman did not take the opportunity that I gave him. On the other matter, I have already made my position clear.

It comes strange from some hon. Members who have spoken that they profess to want to proceed to the single European market but they are not prepared to provide the conditions essential to its creation. Freedom of capital movements and the ability to concert macroeconomic policy are important, and we cannot proceed to a successful single European market if we are prepared to make no sacrifices of national sovereignty in the process.

We return to the fundamental arguments that we had when we joined the Community in the first place. The Government are suffering from a much longer lasting disagreement than that to which the Economic Secretary referred a moment ago. They are still unable to resolve their internal disagreement about whether Britain will join the European monetary system in time for the establishment of the single European market in 1992. I put the question to the Chancellor when he gave evidence to the Treasury and Civil Service Select Committee. He was unable to add anything. Treasury Ministers have so far failed to overrule the Prime Minister's continuing objections. If the Government could settle the issue by making it clear that they will not engage in the harmonisation that is asked for and then turn their mind to the far more pressing and important question of achieving British membership of the EMS, they would be doing the country, and Europe, a service.

There ought to be no doubt about the fact that there is virtually no support in the House for the harmonisation proposals. If, however, we took a vote on who is prepared to back the true development of a single European market, we might find that the House is more divided.

10.53 pm

Dame Elaine Kellett-Bowman (Lancaster): VAT is a subject that is close to my heart, especially with regard to children's shoes.

Shortly after becoming a Member of Parliament, I led a deputation to the then Chancellor of the Exchequer, Anthony Barber, to try to persuade him not to put VAT on children's shoes. I believe firmly that it is essential to do nothing to deter parents from buying well fitting shoes, and price is unquestionably an important factor. We succeeded in persuading him.

I have never been quite certain, but I have a distinct feeling that the fact that a sufficient number of us stood by the Bar of the House while he made his winding-up speech to have defeated the Government if he had not made the concession may have made some slight impression on him. I have always liked to believe that that was so.

Research has shown clearly that ill-fitting shoes can inflict permanent damage on children's feet which may not show until later in life. In the first few years of life, children's feet double in size and continue to grow rapidly up to seven years. They do not stop growing rapidly until the mid-teens. It is vital that shoes are changed as soon as they become even fractionally too small. The Prime Minister has said repeatedly that she will never allow VAT to be imposed on children's shoes. I am sure that she will keep her word. I was glad to hear the Minister's robust support of that promise in his speech tonight.

However, we now have these quite extraordinary proposals, fortunately only intended as a basis for discussion among member states. Two levels of VAT in broad bands are proposed to allow member states some latitude. They also acknowledge the possible need for some derogations from the VAT rules, especially in relation to zero rating. Fair enough. But it is incredible that they do not include children's shoes among the lower band or the social goods band. Children's feet have to last a lifetime. *[Interruption.]* My hon. Friend the Member for Billericay (Mrs. Gorman) has plenty of genes injected into her, but other people have other things.

Mrs. Teresa Gorman (Billericay): Hormones.

Dame Elaine Kellett-Bowman: It is possible to get a new heart, new lungs, new kidneys and even a new brain—I think that my hon. Friend could do with some of those —but one cannot get new feet. Therefore, it is vital to look after them carefully in infancy and childhood. We should insist that children's shoes are put on a lower social goods band and that the band is changed from the proposed rate of 4 to 9 per cent. to 0 to 6 per cent. That would cost only 160 million ecu across the Community. Surely that is a small price to pay for a lifetime of healthy feet.

I very much hope that those proposals will be made by the Government and accepted by the Economic Community so that we no longer have to rely on derogation but have the zero rate permanently enshrined in European legislation.

10.57 pm

Mr. Nigel Spearing (Newham, South): I am pleased to follow the speech of the hon. Member for Lancaster

(Dame E. Kellett-Bowman), particularly on the subject of children's shoes. I have here a copy of the debate on 16 May 1972 when, despite her protestations, the hon. Lady, when she could have done, did not move her amendment. My former hon. Friend, now Lord Barnett, moved an amendment to counter the proposal by the right hon. Member for Worthing (Mr. Higgins), supported by the right hon. Member for Finchley (Mrs. Thatcher), to impose VAT on children's shoes.

Dame Elaine Kellett-Bowman: No.

Mr. Spearing: It is no good the hon. Lady saying no, because she knows it is true.

Dame Elaine Kellett-Bowman: It is not.

Mr. Spearing: It is.

On 16 May 1972 my hon. Friend, now Lord Barnett, moved the amendment to insert the words:

"Children's footwear of the type and size at present free from purchase tax".

That amendment was voted against, not only by the right hon. Member for Finchley, but by the right hon. Member for Chingford (Mr. Tebbit).

A second amendment was to insert the words:

"Garments and footwear of a kind suitable for young children's wear".—[*Official Report*, 16 May 1972; Vol. 837, c. 246.]

Among those voting no was the hon. Member for Lancaster, so I hope that we shall hear no more from her and from the Prime Minister about their desire not to impose VAT because the Prime Minister, in Cabinet—which was different from the one that she presides over now—and in the House, agreed with the idea of imposing VAT on children's shoes.

I do not say that the Prime Minister is not genuine in her conversion to the belief that VAT should not be imposed, but she sometimes misleads the House when she says that the House will never vote for it. Although it did not do so then, and although the Government had to change their mind, she tried to make the House vote for those very things. That detracts from the vigour and strength with which the Prime Minister upholds the pledge that she gave at the election.

Dame Jill Knight (Birmingham, Edgbaston): At that time there was not enough knowledge on what the wrong size shoes would do for children's feet. We had a long briefing on the matter. As my hon. Friend the Member for Lancaster (Dame E. Kellett-Bowman) said, she led a deputation on the issue. It was recognised at that time that many adults could wear small size shoes. Therefore, it was difficult to say that small sizes should be zero rated. It was decided that the rate should be determined by the type of shoe rather than by the size of shoe. There was a great deal of discussion on the matter.

Mr. Spearing: No doubt that is true, but the difficulty which the hon. Lady said was dealt with in 1972 will be with us again. I do not think what she has said is relevant. The Economic Secretary to the Treasury, some of my hon. Friends and the Government want the speed of and movement towards harmonisation to be decided by the House. Unless that is decided by the House, it will be decided in negotiations by the Prime Minister, the Chancellor of the Exchequer or a Minister. In those circumstances, the House becomes a consultative assembly. Conservative Members may deny that, but it is the truth. By not passing the amendment moved by my hon. Friend the Member for Wrexham (Dr. Marek), the House would be saying that we will not have the final word on this issue. We will give the power to negotiate and decide to the Executive. We will give the power to the Executive to decide the tax and we do not reserve to ourselves a veto on the extent and degree of the strength of that Executive. Whether the Executive be in Whitehall or in Brussels, that is the position. Some hon. Members may want that. If they do, they should say so.

Mr. George Walden (Buckingham) *rose*——

Mr. Spearing: I am tempted to give way, but I do not think that I should. We are constrained by time.

We have before us the proposals of the Commission, which the Government have commented on in their explanatory memorandum. The proposals have been summarised in the report of the Select Committee. It is not the Select Committee which decides whether we have a debate, although it can recommend that. It is the House that decides whether we should have a debate before a decision is taken. However, decisions are sometimes taken before we have a debate. The role of the Select Committee is to draw attention to matters, but it cannot decide that we should have a debate. One problem tonight is that we are debating eight proposals in an hour-and-a-half. In former years each one of those proposals would have been a major feature of the domestic British Budget. Is there any Conservative Member who would deny that? Each of the main proposals in the documents before us would have been a major matter for our Exchequer. We are attempting to debate those eight super primary pieces of legislation in the time that is given to a single statutory instrument of secondary legislation.

Mr. Walden: Am I alone in sensing a little disproportion in the hon. Gentleman's remarks? We started with children's shoes, and that has now built up into a major constitutional principle. There is a little gap in between that needs to be filled. To begin with, it is a matter of common sense that most people in this country can afford to buy children's shoes, with or without harmonisation. Harmonisation would bring with it the means to direct extra funds to the small minority of people who need help. To go from there to build a huge and surrealistic issue of constitutional propriety seems to be rather indulgent, romantic and grotesque.

Mr. Spearing: I am sorry that I shall not be able to give way again. The hon. Gentleman has spoilt the debate. He is wrong. I started my speech on that matter because of remarks that had been made and because I happened to have the information with me. This is about our constitution. It is about the power of the House and the power of Conservative Members to decide what taxes should be levied on the people whom they represent. It is about the power of the Executive, and the power of the House to control the Executive. I am sorry that the hon. Member for Buckingham (Mr. Walden), who I thought was a knowledgeable and intelligent person, does not seem to understand that. He had better read his constitutional history.

The Government have not given the House much information on this matter. It was through parliamentary questions, mainly those of 23 and 24 March, that I had to get my information. I wrote to the Minister on 30 March

[Mr. Spearing]

on a matter relating to those answers but did not receive an answer until today, after four telephone calls and a personal approach. I am not blaming the Minister for that, although he should take some responsibility. The Minister and the House are not being informed about these important matters, hence the ignorant remarks of the hon. Member for Buckingham.

The tables that I have quoted do not give any information about water and sewerage. Unless sewerage services are to be confined to taking sewage from septic tanks, I calculate that on a £1 billion turnover on sewerage there must be about £150 million VAT, and that on £800 million on water at 4 per cent., about £50 million. Can the Minister tell us what the rate of VAT will be on water?

The Minister asked me about my opposition to the sixth directive in 1976. We opposed it because we knew that the derogations were only temporary. I do not believe that hon. Members knew what they were voting for, any more than the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) did over the Single European Act, or the hon. Member for Buckingham if he votes against our motion tonight. If he does so, he will be voting power to the Executive in a way that has not happened in this country for several hundred years.

I believe that the Opposition amendment is not only constitutionally right, but right because it will achieve the objectives that the right hon. Member for Worthing (Mr. Higgins) outlined. He said, "We do not like this. We want to go ahead steadily." He is in favour of harmonisation, but in a different way from some of us. That judgment should be for the House of Commons and should not be left to a Minister.

The Minister has said, as has the Prime Minister, "We shall not constrain the Chancellor of the Exchequer." That means that they will not constrain any Minister in Brussels, where they may happen to go for package bargaining and where, at some point, they will have to give way. They have not given any pledge on public transport, on instruments for disabled people, on books, even educational books, on newspapers such as *The Sun*, or on any other written matter. Surely the House cannot put up with a tax on knowledge. If Conservative Members do not vote for our amendment tonight, they will be saying, "We shall leave that judgment in the hands of the Executive", and not retain it in the hands of the House of Commons, where it should be.

I should dearly love to make other points, but I am not sure that I should, because the time constraints are such, and the matter is of such great importance, that other hon. Members should speak. However, I wish to conclude on one major and important point.

At the moment the power of the House is constrained by the treaty of Rome and by section 2(1) of the European Communities Act 1972. We cannot work outside those self-imposed pieces of written constitution. However, in negotiating this whole question of VAT and excise we can have control of our Executive within those constraints. There is nothing in either the treaty of Rome or section 2 (1) of the European Communities Act 1972 that is inconsistent with the amendment tabled by my right hon. Friend the Leader of the Opposition. That is illustrated by the fact that the Danish Folketing keeps control over its Ministers when they go to Brussels. We are not asking for that total control over all negotiations. We are asking that the House of Commons shall control and be the back-marker in negotiations on VAT and excise. That is much less than the control exercised by the Folketing over its Ministers.

By their votes tonight, hon. Members will determine whether the control of the House over Ministers in Whitehall is less than that of the Folketing over its Government? If hon. Members vote against the amendment, that is what they will determine.

This year, 1988, is constitutionally important for many reasons. As we will learn later, the foundations were laid in 1688 for this House to have control over the Executive, over its power to tax, to borrow money and to legislate. We have an opportunity tonight, within the terms of the treaty of Rome and of the legislation already passed by the House, to retain some of that power. If hon. Members do not vote for that opportunity they will throw away, not their power, because we are the trustees here, but those of the elected people, not just for now, but for the foreseeable future.

11.11 pm

Mr. Alan Haselhurst (Saffron Walden): If the hon. Member for Newham, South (Mr. Spearing) had continued for a few more minutes, we might have got back to 1066, such is his perception of the great affairs unfolding before us in Europe. I can assure my hon. Friend the Member for Macclesfield (Mr. Winterton) that I will not repeat what others have said so far. I am sorry if the unanimity that my right hon. Friend the Member for Worthing (Mr. Higgins) believes to exist in the House is slightly qualified in my case.

I believe that the House is approaching this matter with extraordinary timidity. There was a defensive and negative aura to most of the speeches. I wonder how this debate will be read in our partner countries. They must think that we have problems that are so unique that they are not experienced on the continent of Europe. That is an extraordinary view.

It is odd that the greatest boldness lies in the neutrality of the Government's motion. The amendments are far more restrictive and narrow in their outlook. We need hardly wonder why the Liberal party is defunct after the way in which the hon. Member for Berwick-upon-Tweed (Mr. Beith) spoke. Liberals will be turning in their graves at the narrowness of the hon. Gentleman's attitude because the Liberal party always trumpeted that it was more enthusiastic for Europe than the Conservative party or anyone else. That view was certainly not obvious from the hon. Gentleman's speech, but, after all, the Liberal party is dead.

I want to see the creation of a common market and I believe that it should be an area without frontiers. Real benefits will flow for the countries of the European Community when that is achieved. If we are to compete effectively with Japan and the United States, we must organise ourselves on that basis. While I do not want to get into too detailed an argument about the exact importance of the removal of fiscal barriers, that would make a positive contribution to the creation of a better single market.

My approach is to ask why should it not be done, not why should it be done. Why should we think that the proposal is so appalling that we cannot contemplate it? I

concede that the difficulties are obvious enough. I am not saying that we should take the first offer of the Commission straight away, and it is right that we should negotiate from our national position of what we think is right. I am not prepared necessarily to dispute with my right hon. Friend the Member for Worthing that we should negotiate to try to secure the best system in the belief that currently we have one of the best systems. We should negotiate with a view to getting something on which we can agree.

I hope that we shall be able to address the matter rather more objectively than did the hon. Member for Newham, South. I hope also that we shall be able to do so without political partisanship. If all political parties that are represented in the House believe that the United Kingdom should be a member of the European Community, it will help the national interest if we have a collective approach to what our taxation policies are to be and whether we are to have effective harmonisation within Europe. If we are to be continually sniped at in Government by an Opposition who say, "If you do this it will be unpopular with the public and we shall vote against it", Britain's national position will not be assisted in trying to achieve the best possible system of approximation, or harmonisation, of taxes within the Community.

I deplore the fact that there are those who suggest that we should run away from this issue and parties that try to take a narrow, partisan advantage at a time when we must face major issues. The reason why we seem to be running away from the issues, if I deduce it correctly from the debate, is that some of us are scared about further concessions of national sovereignty. In the world into which we are moving, national sovereignty is of shrinking importance. I am as proud of Britain as anyone, but the way in which the world is now organised means that we achieve sovereignty only by binding together with other countries. We took that decision by joining the European Community in the first place. We are not giving away anything that is basically essential by wanting to move towards tax harmonisation.

We shall have less opportunity to determine our own taxes, but the opportunity to do so is not being squeezed out altogether. We are being invited to consider a range of taxes, which will still give us some choice. If we are arguing within the context of two bands rather than a single rate of tax, I am prepared to argue that we should try to secure a lower band which starts at zero. Of course that should be our negotiating position. We would have choice within that band to determine what our tax rates should be.

We should bear in mind the advantages that a powerful, unified market will create. Only in the past few days we have received a report from the Commission which attempts to set out the advantages that we can secure by achieving a real single market. We could hope to improve the Community's total gross domestic product by about 4·5 per cent. and increase employment by 1·75 million over the medium term. These are real and solid advantages which we can obtain for our people if we are prepared to be imaginative enough.

Our second difficulty appears to be over the problem of taxing some items that we have not taxed before. I am slightly surprised that in some instances there is fear on the Government Back Benches about this. I understand that it is part of the Government's approach that we should try to transfer the burden from direct to indirect taxation. I am glad that we are not restricting the options of my right hon. Friend the Chancellor of the Exchequer on VAT.

It would seem that there is a need for education. Anyone who listened to the hon. Member for Wrexham (Dr. Marek), who spoke from the Opposition Front Bench, might well believe that there are people in the rest of Europe who are downtrodden and poor as a result of VAT being imposed in their countries on certain items that are zero rated in Britain. Yet we spend much of our time comparing the British economy with the economies of continental Europe and discussing how much further we must still go to improve our standard of living in certain respects.

I do not believe that the Commission's proposals will lead to fundamental difficulties for the British people if we examine them carefully. We hear the argument about levying VAT on books. I read in *The Sunday Times* recently that the profit margin on books is considerable and that books could be discounted, if only the distributers and retailers were prepared to allow it to happen, by as much as £3 on a £12·95 volume. If that is correct, even VAT of 4 per cent. seems hardly a matter for anxiety.

The same argument is advanced on newspapers. If VAT of 4 per cent. were levied on newspapers, I do not see how that would inhibit readership levels. In the recent past, some of the proprietors have increased the price of many national dailies by as much as 20 per cent. in one fell swoop. We must put those matters into perspective and not run away from some of the possibilities we might have to face in our negotiations. The British public are capable of discussing such matters reasonably.

We must, of course, defend our national interest and negotiate carefully, but let us at least make clear what is in our national interest. I believe that it is to ensure that the European common market can bring for all our people the economic advances that are no longer within the compass of a single national economy.

11.20 pm

Mr. Robert Litherland (Manchester, Central): The Minister said that he would like to know the strength of feeling among hon. Members in respect of particular subjects. I am concerned about the possible imposition of value added tax on reading matter. That my concern is widely shared is clearly shown by the number of hon. Members who have signed or tabled early-day motions on the subject. My own early-day motion 210 has been signed by 124 hon. Members, and motions tabled by Conservative Members, including that of the hon. Member for Macclesfield (Mr. Winterton), have attracted a similar number of signatories. The expression of concern spreads right across the political spectrum.

The depth of concern is also shown by the number and variety of organisations supporting the contention that value added tax on the printed word is a tax on education. The Chancellor of the Exchequer may argue that there is a case for value added tax in that sector, pointing out that the mere process of producing a book, newspaper or periodical from wood pulp or newsprint adds value to that raw product. He may argue also that ours is the only country which grants exemption for zero rating, and that taxing newspapers, magazines and books is only the same as taxing other forms of entertainment and is therefore acceptable.

[Mr. Robert Litherland]

However, we are all aware of the instability of the newspaper industry. That industry is renowned for its razor-sharp competition. Recently in Manchester, the Mirror Group announced a jobs cutback, with some 136 journalists being made redundant. That represents another shift away from Manchester and the north-west to London-based printing firms. Any additional tax burden could mean the closure of more titles, especially in the provinces.

The effect on employment of the imposition of VAT on reading matter could be catastrophic. The print unions estimate that some 13,000 jobs would be at risk. The industry would be reduced to even fewer ownerships than at present. Publishing houses—especially the smaller firms—would be at risk. Even more at risk would be the most recent enterprises in that field.

It has been pointed out in all the correspondence I have received on this subject that the most damaging effect of all would be on schoolchildren, students, and those who use libraries. In my maiden speech, I made the point that to a child a book should be an adventure. A book meant for a small child should not be considered as a taxable object. What Government would deny a child access to a book? Value added tax on printed matter of that kind would be viewed as a further cut in education resources.

It would also be seen as an attack on adult education. What is the point of encouraging further education if there is to be a tax that will deter people from making progress in education? To impose a value added tax on knowledge flies in the face of public opinion. What Government would deny access for the under-privileged—especially the educationally under-privileged—to these books? The printed word is a means of communication and should be dear to all who believe in the furtherance of the knowledge that is vital to our progress as a human race. It should be above being used to swell the coffers of the Treasury.

We are talking about harmony, and I hope for that tonight when we call on the Government to listen to the people, and the House, and not to Brussels. They should maintain our right to zero rating on the printed word.

11.26 pm

Dr. Marek: First, we should have had a much longer debate—of at least three hours, if not a whole day. The Opposition pressed for that, and it is regrettable that the Government got the feeling of the House wrong and held a debate of only one and a half hours.

Secondly, it is a great pity that the Government have not given a pledge not to impose VAT on books, newspapers and periodicals. No hon. Memer wants such an imposition.

Thirdly, we have heard no good reason from the Government or Conservative Members why anyone should not support the Labour amendment. The arguments for it prevailed, and it would unite the House. It would support the Chancellor in the difficult negotiations that he will have, and I commend it to the House.

Mr. Spearing: On a point of order, Madam Deputy Speaker. You know that this procedure follows that laid down for statutory instruments. Standing Order 14(b) says that if the Speaker is of the view that

"the time for debate has not been adequate, he shall, instead of putting the question . . . interrupt the business, and the debate shall stand adjourned".

As this may be the last time that the House can discuss these matters before the Government start negotiations, I ask you to exercise your right under that Standing Order.

Madam Deputy Speaker: I have given careful consideration to the Standing Order and tonight's debate. I must tell the hon. Gentleman and the House that this is a take-note motion. The legislation is in the early stages of gestation; it is what I would call a preliminary canter over the field. There will be ample opportunities for further debate on this, and I shall put the Question at 11.30 pm

11.28 pm

Mr. Lilley: I am grateful to you, Madam Deputy Speaker, for that ruling. I am grateful, too, to the House for showing support from all sides for the two essential components of the Government's position.

We support the underlying objective of a freer internal market in Europe. To achieve that it is not necessary to move along the proposals for approximation and harmonisation as spelt out by the Commission.

I am sad that the Opposition Front Bench did not take up my challenge to explain why it wants us to accept its amendment, which runs flat contrary to the practice and position of the last Labour Government, let alone all other ones. The amendment goes far further than anyone has proposed in the past. it goes flat contrary to the existing rules, to which the hon. Member for Newham, South (Mr. Spearing) referred and which were laid down by a resolution of the House. It states:

"no Minister of the Crown should give agreement in the Council of Ministers to any proposal for European Legislation which has been recommended by the Select Committee on European Legislation . . . for further consideration by the House before the House have given it that consideration unless—

(a) that Committee has indicated that agreement need not be withheld, or

(b) the Minister concerned decides that for special reasons agreement should not be withheld; and in the latter case the Minister should, at the first opportunity thereafter, explain the reasons for his decision to the House."

Those are tight and binding conditions which have informed and ruled our debates on these matters so far. It would be unfortunate to introduce the rules proposed by the amendment because that would mean that every jot and tittle of European legislation would have to come before the House before it could be formally endorsed in the Council of Ministers by a Minister of this Government. As the right hon. and learned Member for Monklands, East (Mr. Smith) knows in his heart, having been a Minister in the previous Labour Government, that would make it impractical——

It being half-past Eleven o'clock, MADAM DEPUTY SPEAKER *put the Question pursuant to Standing Order No. 14 (Exempted business),* That the amendment be made: —

The House divided: Ayes 92, Noes 215.

Division No. 300] **[11.30 pm**

AYES

Allen, Graham	Boyes, Roland
Barnes, Harry *(Derbyshire NE)*	Brown, Gordon *(D'mline E)*
Barron, Kevin	Brown, Nicholas *(Newcastle E)*
Battle, John	Buchan, Norman
Benn, Rt Hon Tony	Buckley, George J.
Bermingham, Gerald	Campbell, Ron *(Blyth Valley)*

Campbell-Savours, D. N.
Clay, Bob
Clwyd, Mrs Ann
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Crowther, Stan
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Dalyell, Tam
Darling, Alistair
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Eastham, Ken
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Fyfe, Maria
Galloway, George
Garrett, John *(Norwich South)*
George, Bruce
Gilbert, Rt Hon Dr John
Golding, Mrs Llin
Gordon, Mildred
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Hardy, Peter
Haynes, Frank
Henderson, Doug
Holland, Stuart
Hughes, John *(Coventry NE)*
Illsley, Eric
Ingram, Adam
Jones, Martyn *(Clwyd S W)*
Lamond, James
Leadbitter, Ted
Leighton, Ron
Litherland, Robert
Lloyd, Tony *(Stretford)*
McAllion, John
Macdonald, Calum A.
McWilliam, John
Mahon, Mrs Alice
Marek, Dr John
Maxton, John
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Morgan, Rhodri
Morley, Elliott
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Neill, Martin
Patchett, Terry
Pike, Peter L.
Prescott, John
Primarolo, Dawn
Redmond, Martin
Roberts, Allan *(Bootle)*
Robertson, George
Ross, Ernie *(Dundee W)*
Ross, William *(Londonderry E)*
Salmond, Alex
Shore, Rt Hon Peter
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Spearing, Nigel
Thompson, Jack *(Wansbeck)*
Wall, Pat
Walley, Joan
Wardell, Gareth *(Gower)*
Welsh, Michael *(Doncaster N)*
Williams, Alan W. *(Carm'then)*
Winnick, David

Tellers for the Ayes:
Mr. Allen McKay and
Mr. Robert N. Wareing.

NOES

Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Aspinwall, Jack
Atkins, Robert
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beith, A. J.
Bellingham, Henry
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bevan, David Gilroy
Blaker, Rt Hon Sir Peter
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Bowis, John
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl'ts)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Dunn, Bob
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Fallon, Michael
Favell, Tony
Fearn, Ronald
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Forman, Nigel
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gregory, Conal
Grist, Ian
Grylls, Michael
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayward, Robert
Heathcoat-Amory, David
Hind, Kenneth
Holt, Richard
Howard, Michael
Howarth, G. *(Cannock & B'wd)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Irvine, Michael
Jack, Michael
Janman, Tim
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
MacGregor, Rt Hon John
MacKay, Andrew *(E Berkshire)*
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
Malins, Humfrey
Mans, Keith
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Mellor, David
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Montgomery, Sir Fergus
Morris, M *(N'hampton S)*
Moss, Malcolm
Moynihan, Hon Colin
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Paice, James
Patnick, Irvine
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Raffan, Keith
Redwood, John
Renton, Tim
Rhodes James, Robert
Riddick, Graham
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thurnham, Peter
Townend, John *(Bridlington)*
Tredinnick, David
Twinn, Dr Ian
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Wallace, James
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Wilshire, David
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Robert Boscawen and
Mr. Tony Durant.

Question accordingly negatived.

Main Question put and agreed to.

Resolved,

That this House takes note of European Community Documents Nos. 8199/87 on indirect tax rates and structures,

8200/87 on value added tax rates, 8201/87 on the removal of fiscal frontiers, 8202/87 on a value added tax clearing mechanism frorintra-Community sales, 8203/87 + COR 1 on convergence of rates of value added tax and excise duties, 8204/87 and 8205/87 on taxes on cigarettes and other manufactured tobacco, 8206/87 on excise duty on mineral oils and 8207/87 + COR 1 on excise duty on alcohol.

11.43 pm

Mr. Spearing: On a point of order, Madam Deputy Speaker. I am grateful to you for taking this point of order, as I am for your ruling at the end of the debate. Although, as you indicated, there may be further debates on the legislation, the Government have discharged their responsibility to the House and I am aware of no procedure that guarantees further debates before decisions are made in Brussels. It is true that the Chancellor of the Exchequer, the Government, or any other hon. Member may raise such a debate, but that cannot be guaranteed.

Secondly, the seven directives that we have discussed tonight may, if followed up, have to come back to the House for legislation for the United Kingdom. If that happens, the terms of the decision in Brussels will have to be complied with by the House, for if a decision by the House was other than the decision by Brussels, the House would be in breach of the treaty.

Madam Deputy Speaker: The very convoluted point of order put by the hon. Gentleman, who I know is an expert on European matters, has been noted.

Orders of the Day

FOREIGN MARRIAGE (AMENDMENT) BILL

[Lords]

Order for Second Reading read.

Motion made, and Question put forthwith, pursuant to Standing Order No. 90 (Second Reading Committees), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee pursuant to Standing Order No. 61 (Committal of Bills).

STATUTORY INSTRUMENTS, &c

Motion made, and Question put forthwith pursuant to Standing Order No. 101(5) (Standing Committees on Statutory Instruments &c.)

HOUSING

That the draft Housing Defects (Reinstatement Grant) (Amendment of Conditions for Assistance) Order 1988, which was laid before this House on 22nd March, be approved—*[Mr. Ryder.]*

Question agreed to.

A249 Road (Sheerness)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Ryder.]*

11.45 pm

Mr. Roger Moate (Faversham): The story of the A249 road to Sheerness is a story that should gladden the hearts of our competitors abroad and that should make the British people weep.

In an age when we pride ourselves on the claim that we have got Britain moving, we cannot get a good road built to one of our main deep water ports, to a major industrial growth area, to a large resident population in the prosperous south-east of England. I welcome this chance to tell the House of our problems in securing a first-class road link from the M2 and M20 motorways to the port of Sheerness, the town of Sheerness and the Isle of Sheppey. I welcome the fact that my hon. Friend the Under-Secretary of State for Transport will be visiting us to see for himself on 20 May. I hope that he will then understand our frustration and that after his visit he will inject into his Department a political determination to plan and to build soon a continuous and good road link to Sheerness.

Let me remind my hon. Friend of what I am sure he knows but that many, apparently, do not. The Isle of Sheppey is a real island. It is linked to the Kent mainland by one bridge—a lifting bridge that was opened in 1960. It is now heavily overloaded and is undergoing major repairs. The bridge has been raised 60,000 times since it was built to allow yachts and commercial shipping to use the river Swale.

Sheppey has a population of 33,000, rising to probably over 80,000 in the summer. It is a major and expanding industrial area, about which I shall say more in a moment. It has an important deep water port, about which I shall also say more in a moment. My hon. Friend will find, as he leaves the motorway, a winding, single carriageway road for several miles, passing through the villages of Bobbing and Iwade. He will see our lifting bridge. He will also see another single carriageway road over the Sheppey marshes linking up with a stretch of new bypass that leads almost, but not quite—we never quite make it to the port—to Sheerness and to the docks.

The road is narrow and winding, passing is almost impossible. Traffic is usually heavy. Certainly at peak hours, with repairs and perhaps the bridge lifted, delays and tailbacks can be great and the frustration even greater. However, I can almost guarantee that, when my hon. Friend the Minister comes, there will be no jams, no delays and no bridge up and that he will sail through without delay. That is life. However, the position is generally as I have described it.

It is not my purpose to talk about our problems with road repairs, but it would be wrong not to put on record the frustration of the Sheppey community and others about the coincidence, despite all the assurances we received beforehand, of major repair works on the bridge, on the A249, on the M2 and on the M20 simultaneously. It makes those of us who live in Kent feel as though we are totally beleaguered.

I acknowledge readily that there are some road plans in the pipeline, but I hope that my hon. Friend will understand that when nothing comes out of the end of the pipeline people grow somewhat cynical and frustrated. Let me take, for example, the Iwade bypass. I have a letter from my right hon. Friend the Secretary of State for Transport dated 3 November 1982. It reads:

"We hope to be in a position to consult the public on the route during the summer of 1983. The normal statutory processes will then follow, which would allow the work to start in 1986."

We have not even got into a planning inquiry yet and the prospects of that starting seem to diminish all the time. Can my hon. Friend tell me what has gone wrong?

Let me remind my hon. Friend of some offerings from his Department regarding improving the road north of the bridge. On 28 July 1986, two years ago, he told me that that was a candidate for inclusion in the road programme. In regard to the same stretch of road, on 23 April 1987 he said that the Department was bearing the question in mind in the current review. Five days later, on 28 April, he told me that it had not been possible to add a scheme. He then held out the hope that there might be some additional consideration later in the year, but that came to nothing. These are modest extracts from the massive file.

We have had meetings with Ministers, petitions to Downing street, endless correspondence and so on. The Sheppey Industries Association, VOICE, the employers' organisation for Swale, and the borough council have all been tireless in pressing the case, let it be said, not just for a local road for local interests which any hon. Member would always espouse, but for a national route of fundamental importance to the road network, to industrial output and also to the ordinary motorist and to the residents of the locality.

It is not my purpose to speak at length about the Kingsferry bridge because it is too big a subject to deal with in a short Adjournment debate. The Government know that Swale borough council recently commissioned Mott, Hay & Anderson, eminent consulting engineers, to undertake a feasibility study into a new Swale crossing. We should congratulate the council on its initiative and the engineers on their report.

The estimated cost of a single carriageway bridge would be £18 million. The cheapest tunnel would be £24 million. This is a nettle which the Government will have to grasp before long. The consultants said that a second crossing would probably be justified in about 10 years' time. If we start planning now, it will be 10 years plus before we get a second crossing. At the very least we should be taking serious initial steps to put the new crossing into the programme. In the meantime, there are various traffic management suggestions which could improve traffic flows. These should be considered urgently by the Department.

May I draw the attention of my hon. Friend to the traffic figures which show that there is complete justification for dualling the road north of the bridge? At the bridge itself last October the count was 20,200 vehicles a day. This flows on to the narrow single carriageway for which, I understand, the design flow now would be little more than 10,000 vehicles a day. We should compare that with, say, the A20 at Harrietsham where there are 28,000 vehicles a day. Admittedly that is more, but it is getting a three-lane motorway bypass. The A226 at Gravesend, with only 15,000 vehicles a day, is getting its bypass now. At Thanet way, where again the figures are less than for Sheppey way, miraculously dualling has leapt into the programme and work has been started. Perhaps that is because it is a county programme. Somehow the county

[Mr. Roger Moate]

seems to be able to get on with the job more quickly than the Department does when trunk roads are involved. It is also noteworthy that the number of heavy goods vehicles on Sheppey way is 13 per cent., which is considerably higher than the national average. There again the growth forecast for traffic is also higher than the national average.

With regard to growth, even in recent months there have been announcements of new industrial investment at Ridham dock and on the island. With all the industrial land that is available for development and the strategically important location of Sheppey, it is obvious that traffic growth will continue apace. Sheppey is already an important industrial area. For example, we have Sheerness Steel, one of our national success stories. It is a major steel industry which produces 5 per cent. of the total national steel production. Despite the company's commitment to rail traffic, rail sidings and its wagon fleet, it still uses 240 vehicles in its works. It is a great success story for the United Kingdom, but it faces tremendous road problems. There are glass, electrical, pharmaceutical and other steel industries and a range of other significant employers. There is major Canadian, Japanese, German and American investment. Sheppey is truly an international island.

However, the greatest success story is that of the port of Sheerness which, from the darkest days following the closure of the naval dockyard, has transformed itself into one of the most thrusting and competitive ports in the United Kingdom. It is the largest fruit port and the largest car terminal for imported vehicles in the United Kingdom. It is one of the largest and the fastest expanding port in forest products, such as paper, pulp and timber.

The ferry business there has grown dramatically and continues to expand at a rapid rate. Last year, the Olau Line, with its three superb ferries, carried 570,000 passengers, 104,000 passenger cars, 4,000 coaches, 60,000 freight units and 35,000 trade cars, but that capacity will be enormously increased when the two new ferries are delivered soon. The port generates almost 2,000 jobs. Sheerness is now, excluding oil and bulk carriers, the fifth largest port in the United Kingdom, yet it does not have a decent link road from the motorway.

The strategic importance of Sheerness is even greater than I have indicated. It is the only deep-sea port in Kent, and indeed in the south-east, as far as Southampton, that can service the international shipping trade in respect of the Channel tunnel. With 40 ft of deep water at low tide, Sheerness has some of the deepest water in the United Kingdom and is, apart from the wretched road link, the ideal deep-water port to service the Channel.

If we are to attract major shipping lines to the United Kingdom and then tranship, via rail or road, through to Europe, Sheerness is the ideal location. If it happens the other way round, Britain will lose that trade and the jobs and economic spin-off from it. It is evident that a first-class road system linking Sheerness to the motorways is an integral part of any sensible strategy for the south-east, so why have we been left behind? Why have we not had the same priority as other places? More important, will the Minister use his authority to ensure that we now receive priority?

Let me spell out briefly what is being sought and what could be achieved by the Minister putting his weight behind the scheme. First, the general objective is to establish that there needs to be a dual carriageway from the M20 to Sheerness, certainly as far as the new Queenborough bypass on the island. Secondly, the proposed dualling of the section from the M2 to the A2 is in the programme. May we have construction urgently and without any slippage?

Thirdly, the Iwade bypass from Key street on the A2 to Sheppey bridge is in the programme. I welcome the proposed dual carriageway and readily accept that it will be a superb road of immense benefit, but we are becoming alarmed at possible slippage. It has not yet even gone to public inquiry. Will the Minister stress to his officials that it is a priority route and that no delay can be tolerated?

Fourthly, north of the bridge, from the bridge to the Queenborough bypass, we need a dual carriageway, either as a road improvement via Cowstead corner or, preferably, a new fairly short stretch of dual carriageway as a direct link from the bridge to the Queenborough bypass. That is not a major road scheme in terms of distance, cost, land acquisition or engineering. When my hon. Friend sees that miserably inadequate stretch of road, stuck between the proposed end of the new dual carriageway to the south and the new Queenborough bypass to the north, he will understand our frustration. If he agrees, will he please put it into an early construction schedule and not into a distant programme for the 21st century?

Fifth is the scheme for the entrance to the Sheerness docks. I believe that it is ready to go. May we please get construction started? Sixthly, I return to the really difficult problem—the Kingsferry bridge. I do not think that there is an immediate, satisfactory solution, but the Government should authorise investigation into the best long-term solution—it has to be a tunnel or a second bridge—while backing interim management schemes to improve traffic flows over the bridge.

Of one thing I am absolutely sure: with dual carriageways either side of the bridge, there will be major improvements in traffic flow. We must not hold up the dualling of the road on the ground that the bridge is a bottleneck. That is a recipe for eternal inaction.

Most of what I am asking for is already committed. Most of it is already in the programme. Therefore, what we need is not money but speed, no slippage, no further delays, a sense of purpose and action. The other improvements that we seek, especially those north of the bridge, are not costly in road spending terms. All it needs is a simple political commitment to the concept of a first-class road to Sheerness soon, and a ministerial boot up backsides if there is any avoidable delay.

If we really are trying to build a modern Britain, will my hon. Friend the Minister please do his bit to ensure that we have a modern road to this vital part of the United Kingdom?

12.1 am

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): I am grateful to my hon. Friend the Member for Faversham (Mr. Moate) for raising the important matter of the A249 to Sheerness. He has for many years pressed successive Ministers through correspondence, meetings and visits to the area. He has also had a good deal of success. His aim is to improve the A249, which is the only access from the mainland to the

Isle of Sheppey and its expanding port of Sheerness. His ardent campaign for improvements has been ably supported by the Sheppey Industries Association, VOICE—Voice of Industrial Company Employers in Swale is, I think, the plain English—and local authorities. I pay tribute to his energy and to his concern for his constituency.

By a mixture of oratory and rough language my hon. Friend has perhaps given me a foretaste of what I shall experience when I visit the area. I am sorry that I was not able to go on the previously appointed day, and when I do go I do not intend to make any earth-shattering announcement. We shall, however, reconsider the need for improvements to the A249 between Kingsferry bridge and the Queenborough bypass in the next review of the trunk road programme. To assist us in our consideration, a scheme identification study on the relevant section of the A249 is to be carried out by Kent county council. We shall arrange for the study to cover the possibility of providing extra capacity at the bridge, although it is too early, as my hon. Friend said, to say whether that can be justified or, to put it more moderately, when it can be justified.

The trunk road programme remains one of the Government's priorities. We are determined to do as much as possible to continue to develop the trunk road network for present and future traffic needs. The major schemes on the A249 that are already programmed are good examples of schemes that meet our policy of improving roads to ports and getting traffic out of villages. Further improvements to the A249 will be considered in the next review. I look forward to my planned visit to the A249 on 20 May, when I shall meet my hon. Friend and the Sheppey business community.

My hon. Friend referred to the port of Sheerness. The Government fully accept its importance to the local area and to the nation, and the need to improve access to it. If I have time, I shall say more about that. Sheerness, which is owned and operated by the Medway Port Authority, is, as my hon. Friend said, the fifth largest continental car ferry port after Dover, Portsmouth, Harwich and Ramsgate. It handles more than 1·5 million tonnes of cargo each year. Half of that is accounted for by 50,000 freight vehicles on the Olau Line service to Flushing. There are also 700,000 passengers and 100,000 cars. The port also handles car import operations and other deep-sea trade. Confidence in the future success of the port is shown by the opening by the Medway Port Authority of a £9 million car terminal in February 1987. The Olau Line has also announced the building of two new jumbo ferries, an investment of £100 million. They will enter service on the Sheerness-Flushing route in 1989 and 1990. To meet that demand, MPA plans to start new berth construction later this year.

My hon. Friend talked at length about the A249. It is clearly the vital link both to the port and to the industrial and commercial interests of Sheppey. It is a lifeline to those who live and work there. The A249 extends for about 20 miles north-eastwards from Maidstone to Sheerness, and has major junctions with the M20, M2 and A2. Before 1979, the A249 was the responsibility of Kent county council. Because of the industrial development on Sheppey and expansion of the port of Sheerness, it was decided to transfer responsibility for the section between the M2 and Sheerness dock to the Secretary of State for Transport. A short section northwards from the M2 to Chestnut street was trunked in July 1979, and the remainder—about 10 miles—to the docks in October 1983. South of the M2, the A249 is the responsibility of Kent county council.

Between the M2 and Sheerness the road is a single carriageway of varying standards of alignment and visibility. The route undoubtedly has a very poor accident record. In the three years from 1984 to 1986 there have been 145 injury accidents—seven involving fatalities, 44 serious injuries and 94 slight injury. For every injury accident, there are many damage-only ones.

The present traffic on the M2 to Kingsferry bridge section is in the range of 13,000 to 16,500 vehicles a day, taking a 16-hour day. As my hon. Friend said, to overcome those problems we have two major schemes under preparation comprehensively to improve the A249 to dual two-lane carriageway standards from the M2 to Kingsferry bridge. The latter is a combined road and rail crossing, and the only crossing to the Isle of Sheppey.

I realise that, welcome though those schemes are to my hon. Friend and his supporters, they do not satisfy their demands to replace the Kingsferry bridge and to upgrade the road northwards to Sheerness docks. I hope to deal first with the programmed schemes and come to the suggestions for further improvements.

The Iwade bypass was added to the programme in February 1982. What started off as a scheme for a small local bypass of the village of Iwade has been extended to cover the four miles between the A2 at Key street and Kingsferry bridge. The scheme will provide substantial relief to the village of Iwade and the neighbouring communities of Bobbing and Howt Green, as well as greatly improving the road link to Sheerness docks. Public consultation was held in December 1985 and a preferred route, which runs to the east of the present A249, was announced in December 1986.

Last autumn we had hoped that by now we should be able to publish the necessary statutory orders for our preferred scheme under the Highways Act. For reasons over which we had no direct control, the programme for the Iwade bypass has slipped. Kent county council has recently brought forward, in its transport policies programme, proposals for a Sittingbourne link to connect directly with our scheme. That means that a new interchange will be needed. We accept that it is sensible to take account of the Sittingbourne link in our planning for the Iwade bypass scheme, but it will require us to take a fresh look at the traffic and economics for the combined proposals. In particular, it could have a consequential effect on our present proposals for the A249-A2 junction at Key street. All that will inevitably delay the publication of the draft orders for the Iwade scheme. We now hope that the draft orders for Iwade will be published early next year and that the proposals for the scheme and those for the Sittingbourne link will be dealt with at inquiries at about the same time, possibly later in 1989. Experience suggests that it is unlikely that an inquiry can be avoided.

I realise that any delay is disappointing. My hon. Friend talked about assurances. It is my policy to try to avoid giving assurances. I spend most of my time picking up ones given by Hore-Belisha and various Ministers at the Department of Transport between him and me. My hon. Friend also asked whether I would grasp the nettle. I have a special pair of gloves because there are so many nettles in road planning that it would become painful otherwise.

[Mr. Peter Bottomley]

Our experience shows that a scheme should be taken forward only after careful preparation. We want to get the design right and to avoid unnecessary delays later. The scheme, to improve the A249 to dual carriageway standards between its junctions with the A2 at Key street and the M2 at Stockbury, was added to the programme in the 1985 review. Public consultation on two route options was held in February 1987. We expect to announce the preferred route decision this summer. We hope thereafter to be able to proceed fairly quickly with the scheme, but timing will depend on the necessary statutory procedures.

We recognise the importance of the A249, but it was not possible within the resources available and against competing pressures of other schemes to add a scheme to the programme at last year's review, either for a second crossing of the Swale or an improvement north of the Kingsferry bridge. We have said many times that the cost of a second crossing would be considerable and hard to justify. That is still the case.

The Department's view on a replacement bridge received some support from the results of a study commissioned by Swale district council, which concluded that although the present bridge and its operation did cause delays, any major improvement would be difficult to justify economically. However, I hope that the announcement that we are asking Kent county council to see what can be done will be of some comfort.

As my hon. Friend knows, the Kingsferry bridge is jointly owned by British Rail and the Department. British Rail operates it and is responsible for maintenance. In June 1985 the Department was informed of possible chloride problems. Testing by BR confirmed the presence of chloride contamination in the deck of the bridge. Extensive remedial works were started in early December last year. Early in the contract it became clear that contamination was much worse than feared and required a greater degree of remedial work.

Because of the importance of communication with Sheppey, we considered carefully with BR the requirements to be imposed on the contractor to keep delays to a minimum. We have been able, by night-time working, to keep two lanes of traffic open between 6 am and 8 pm. Traffic flow through the works has inevitably been slowed. There have been delays.

BR says that the remedial work is nearing completion and is expected to be finished by the end of June. My hon. Friend will wish to know that the necessary rewaterproofing and resurfacing works cannot be carried out without extending the existing night-time single lane operations to include some daytime lane closures. A press notice will be issued. We intend to allow single lane operation from 8 pm to noon on both Fridays and Saturdays. Every effort will be made to reduce this and to keep traffic disruption to a minimum.

Problems with planning and executing the Kingsferry bridge repairs have resulted in a backlog of essential work and postponed schemes. While the Department is anxious to avoid more than one set of roadworks at a time on the A249, works cannot be postponed indefinitely. It is planned to avoid roadworks on the A249 during the summer school holiday period.

I say to my hon. Friend that if every hon. Member pushed as hard as he did, my job would be more difficult than it is. When I visit on 20 May, I expect to come with my ears and my eyes, rather than with my mouth. I look forward to seeing for myself and hearing from my hon. Friend and those associated with him in working to give the best road communication with the Isle of Sheppey.

When I heard that my hon. Friend had secured this important debate, I hoped that it was to celebrate what I call our joint campaign to build the Rochester way relief road. One of the first things that I remember when I came to the House was my hon. Friend asking for that road to be completed. I apologise for the fact that we managed to open that road before solving the problems of the A249 to Sheerness.

Question put and agreed to.

Adjourned accordingly at fourteen minutes past Twelve o'clock.

House of Commons

Thursday 12 May 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON REGIONAL TRANSPORT BILL *(By Order)*

Order read for resuming adjourned debate on Question [10 December], That the Bill be now considered.

Debate further adjourned till Thursday 19 May.

TEIGNMOUTH QUAY COMPANY BILL *(By Order)*

YORK CITY COUNCIL BILL *[Lords] (By Order)*

CARDIFF BAY BARRAGE BILL *(By Order)*

FALMOUTH CONTAINER TERMINAL BILL *(By Order)*

NORTH KILLINGHOLME CARGO TERMINAL BILL *(By Order)*

ST. GEORGE'S HILL, WEYBRIDGE, ESTATE BILL *(By Order)*

NEWCASTLE UPON TYNE TOWN MOOR BILL *[Lords] (By Order)*

Orders for Second Reading read.

To be read a Second time upon Thursday 19 May.

ASSOCIATED BRITISH PORTS (NO. 2) BILL *(By Order)*

Order read for resuming adjourned debate on Question [11 May], That the Bill be now read a Second time.

Debate further adjourned till Thursday 19 May.

HAMPSHIRE (LYNDHURST BYPASS) BILL *[Lords]*

Ordered,

That the Committee on the Hampshire (Lyndhurst Bypass) Bill *[Lords]* have leave to visit and inspect the site of the proposed works, and any sites which have been proposed as alternatives, provided that no evidence shall be taken in the course of such visit and that any party who has made an Appearance before the Committee be permitted to attend by his Counsel, Agent or other representative.—*[The Chairman of Ways and Means.]*

Oral Answers to Questions

NATIONAL FINANCE

Council of Ministers

1. **Mr. Knox:** To ask the Chancellor of the Exchequer when he next proposes to have discussions with the European Community Council of Ministers about European monetary matters.

The Paymaster General (Mr. Peter Brooke): At an informal meeting of European Community Finance Ministers in Germany on 14 and 15 May.

Mr. Knox: In his discussions with his European counterparts, will my right hon. Friend confirm that it is Government policy to continue to try to achieve the maximum possible exchange rate stability?

Mr. Brooke: I have no doubt that my right hon. Friend will continue to say the same sort of things to his colleagues on the continent as he has before.

Mr. Beith: Will the time ever be right for Britain to join the European monetary system as long as this Government are in power?

Mr. Brooke: As the hon. Gentleman knows, that matter is kept under continual review. The Government will join when they think the time is right.

Mr. John Browne: In his discussions, will my right hon. Friend agree to put a proposal to his fellow Ministers that, with the advent of the single European market, with the free movement of labour, goods, services and capital, we shall have the economic conditions that will allow us to have a single European currency instead of the composite currency that now exists in the form of the ecu? Will he remind his fellow Ministers that in the United States the dollar encompasses 52 states, each with a different tax regime, so there is no need to wait for European tax harmonisation? Will he also remind them that each year about £2 billion is made by foreign exchange dealers dealing in European currencies alone?

Mr. Brooke: My hon. Friend advances a visionary idea, but I doubt whether my right hon. Friend will say that to his colleagues this weekend.

Mr. John Smith: In relation to European and other exchange rates, what is the Chancellor's exchange rate policy? We were told that the pound would be aligned with the deutschmark when it was below Dm3, since when the level of the pound has consistently risen, despite the Chancellor constantly telling us that each rise is unsustainable. As the Chancellor told *The Wall Street Journal* yesterday that the pound should continue to be aligned to the deutschmark, at what level should it be so aligned? Or has he been elbowed aside by the Prime Minister, and is it now his policy that it is unsustainable?

Mr. Brooke: The right hon. and learned Gentleman has asked me a long question. There is a long answer to it in my right hon. Friend's evidence to the Treasury and Civil Service Select Committee.

Tax Breaks

2. **Mr. Jacques Arnold:** To ask the Chancellor of the Exchequer how many tax breaks are eliminated or reduced by the Finance (No. 2) Bill 1988.

The Financial Secretary to the Treasury (Mr. Norman Lamont): The main tax breaks eliminated or reduced by this year's Finance Bill are the forestry tax shelter, the tax relief for non-charitable convenants and for home improvement loans, and the under-taxation of company car scales.

Mr. Arnold: Does my right hon. Friend accept that the elimination of these loopholes, which were inherited from the Labour Government, is extremely welcome and constitutes the reverse side of the coin of the tax cuts in the recent Budget? They are particularly welcome as they will reduce the load on tax lawyers and tax accountants, who can then put their brilliant minds to work that is productive to the economy. In taking these steps further, will my right hon. Friend learn from experience in the United States in this regard?

Mr. Lamont: It is not often appreciated that in many respects we have gone further than the United States, which retains some—and more—of the reliefs that we have. If one adds to the list business entertainment, life assurance premium relief and the alterations that we have made to align capital gains tax and income tax, the revenues raised by these changes in 1989-90 will be more than £800 million. We do not hear much about that from the Opposition.

Mr. Nigel Griffiths: When the Prime Minister was wagging her finger at the Chancellor, as was reported to him by his hon. Friends, was it because of differences about the exchange rate, because of a difference of opinion over interest rates, or just because she was telling him to let the pound rise, no matter what the expense to British industry?

Mr. Lamont: Those are highly interesting questions, but, alas, they have nothing to do with the question on the Order Paper. All that I shall say to the hon. Gentleman is that I was there and he was not.

Mr. Boswell: Does my right Friend agree that one of the best consequences of lower tax rates is a reduction in the premium on the avoidance of tax? In that contest, will he promise to consider a speedy end to the close company provisions, which now seem wholly redundant?

Mr. Lamont: I shall consider my hon. Friend's latter point; and, of course, his first point is entirely right. The dramatic reductions in rates that we have made substantially reduce the incentive for people to waste a lot of time trying to find a way round and through the tax system—something that they did enormously when we had punitive taxation rates under the previous Labour Government.

Mr. Gordon Brown: But will the Financial Secretary confirm that for every tax loophole that was closed in the Budget another was opened by the Chancellor? Will he also confirm that whereas somebody earning less than £60 a week will be paying 25p in the pound in tax, which is completely unavoidable, the man earning £1 million, by using all the tax loopholes that the Chancellor has made available to him, can end up with a tax liability of absolutely nil? How does he defend that?

Mr. Lamont: The first point that I would make is that if the hon. Gentleman thinks that under the Labour Government there were not ways in which someone's tax bill could be reduced to nil, he does not know what was happening. Secondly, we have deliberately retained some reliefs in the tax system, such as the business expansion scheme and the enterprise zones, because we think that they serve a socially useful purpose. I do not know why the hon. Gentleman is so opposed to enterprise zones. The other day he said that some rich men are now finding the charms of Middlesbrough irresistible. That shows that the tax relief on enterprise zones is doing some good. It has doubled employment in the enterprise zones.

Several Hon. Members *rose*——

Mr. Speaker: Order. I appeal for brief questions today and then we shall have brief answers.

Inheritance Tax

4. **Mr. Andrew F. Bennett:** To ask the Chancellor of the Exchequer what is his latest estimate of the financial effect on the Exchequer in a full year of the changes in inheritance tax announced in the Budget.

Mr. Norman Lamont: The full year cost is £220 million measured from an indexed base.

Mr. Bennett: Does the Minister accept that that is a substantial sum and that for an estate worth £1 million the tax bill has now been cut by £148,000? How can the Government justify giving money away in that way? Surely incentive is not an appropriate justification. Would it not have been better to help those of my constituents who have lost housing benefit and rent rebates? That would be a much more appropriate way for the Government to spend money than to give it to those who are already well off.

Mr. Lamont: If the hon. Gentleman had been here earlier this week he would know that we debated that matter fully. Several of my hon. Friends made the point that the incentive to hand on money is one of the most important incentives for keeping businesses together, and we believe that that contributes greatly to the incentives that are necessary for the growth of our economy.

Mr. Nicholas Bennett: Does my right hon. Friend agree that the difference between Conservative and Opposition Members is that Conservatives believe that income tax and inheritance tax relate to money that belongs to the individual, whereas the Opposition believe that it belongs to the state and that we should be given back only a little pocket money?

Mr. Lamont: My hon. Friend is entirely right. He might also have added that if we had punitive rates of inheritance tax we would probably find that we raised less money, because since we started cutting the rates of inheritance the yield has gone up.

Dr. Marek: What conceivable reason is there for the Chancellor to give away money on estates worth £1 million and more to the super-rich, who do not need it? It cannot be because there will be any incentive. It cannot be because it will attract other people to Britain. The Minister has admitted that it is a loss to the revenue. Is it not a theft of public money from the Treasury to give to people who have far too much already?

Mr. Lamont: The hon. Gentleman entirely ignores the fact that the money is the taxpayer's in the first place. What conceivable reason is there to want to break up existing family businesses?

Mr. Carrington: Does my right hon. Friend agree that one of the most welcome aspects of the changes in inheritance tax is that the effective rate, taking into account the business property relief on the transfer of

small businesses to the next generation, is now below 20 per cent.? Is this not a great encouragement for the formation of small companies, as well as for the prosperity of coming generations?

Mr. Lamont: The Government have very much altered the nature of inheritance tax, not only with the change to which my hon. Friend refers, but with the provisions for lifetime giving. It seems to escape the notice of Opposition Members that the burden of inheritance tax at the lower end was such that, because of increasing house prices, it was hitting many people of comparatively modest means.

Government Departments (Advertising)

5. **Mr. Tony Banks:** To ask the Chancellor of the Exchequer what steps he takes to ensure that advertising expenditure by Government Departments is kept under control.

16. **Mr. Home Robertson:** To ask the Chancellor of the Exchequer how Her Majesty's Treasury monitors the public expenditure of Government Departments on advertising.

The Chief Secretary to the Treasury (Mr. John Major): The cost of advertising is found from departmental spending programmes, as published in the public expenditure White Paper. The Treasury does not monitor and control it separately.

Mr. Banks: Is the Chief Secretary aware that Government expenditure on advertising has gone up fivefold since 1979, and, in the current year, is estimated to be £88 million? I realise, of course, that rotten products take a lot of advertising to sell, and nothing comes more rotten than Government policies. However, as many of the policies on which the taxpayers' money is spent are controversial, does the Chief Secretary agree that, rather than the taxpayer funding party political advertising by the Conservative party, Conservative Central Office should make a substantial contribution?

Mr. Major: The underlying premise of the hon. Gentleman's question is entirely wrong. In fact, the percentage of Central Office of Information expenditure on advertising is not materially different in the current year from that of 1978-79. On advertising generally, it is in everyone's interest to know about policies and new schemes and to receive advice on such matters as health and safety, and that is precisely what the Government are determined to do. They stick strictly by proprietorial rules that have existed for many years.

Mr. McCrindle: Would it not save the necessity for Government expenditure on advertising if my right hon. Friend were to take this opportunity to tell us what Conservative Members particularly wish to know, namely, that my right hon. Friend the Chancellor of the Exchequer has no intention of resigning—or is that a hypothetical question?

Mr. Major: I can certainly express a strong preference for my right hon. Friend remaining Chancellor for a considerable period. The evidence of his time as Chancellor is that he has produced a remarkably successful British economy.

Mr. Rees: The Chief Secretary referred to costs. Whose job is it in the COI to decide whether advertising has crossed the boundary into being party political?

Mr. Major: The role of the COI is to advise the Government on matters of propriety in relation to advertising. The COI is, of course, responsible to my hon. Friend the Economic Secretary to the Treasury. The final decision on advertising is a matter for the departmental Minister, but the Government are bound to accept the rules presented to the Widdicombe committee, and do so.

Mr. Curry: Does my right hon. Friend accept that the money being spent by the Department of Trade and Industry on advertising to encourage companies to take advantage of the single market is money well spent, but that if companies are to observe this exhortation they must be endowed with a stable and sustainable rate of exchange against the deutschmark?

Mr. Major: I believe that advertising designed to advise people of the merits and desirability of the single market is money well spent. It represents an extraordinary opportunity for British industry, and we wish to see it taken.

Mr. Nicholas Brown: The House was interested to hear the Chief Secretary confirm that responsibility for the COI within the Government Treasury team has slid from the Paymaster General to the Economic Secretary. Will he confirm that the reason that that change was slipped through, without a great blaze of publicity, was the clear conflict of interest between the Paymaster General's duties to the Government's Treasury team and his duties as chairman of the Conservative party?

Mr. Major: There can be no conflict of interest in that respect. My right hon. Friend the Chancellor passed the responsibilities for the COI to my hon. Friend the Economic Secretary to ensure that there was no such conflict, and he did that before there was a single representation from the Opposition to the effect that that change was needed.

Overseas Assets

6. **Mr. Forth:** To ask the Chancellor of the Exchequer what is his latest estimate of the stock of United Kingdom net overseas assets.

Mr. Brooke: At the end of last year the United Kingdom's net overseas assets were estimated at some £90 billion, second only to those of Japan.

Mr. Forth: I am grateful to my right hon. Friend for that encouraging answer. Will he confirm that a substantial part of those assets is in the United States? Does he believe that that is one of the main reasons for the most encouraging report in *Fortune* magazine on the excellent performance of the United Kingdom's economy under the stewardship of the Government and the Chancellor of the Exchequer?

Mr. Brooke: I do not know whether there is a connection between the two facts that my hon. Friend mentions, but he is correct in saying that there has been a warm endorsement of my right hon. Friend's policies by *Fortune* magazine.

Mr. Robert Sheldon: Does the Paymaster General agree that the value of the assets depends on sterling's exchange rate. Will he say how the Chancellor of the Exchequer has been able to have a quarrel with the Prime Minister on that most important matter, over which he has supreme authority? To quarrel with the Prime Minister on such matters may be unwise, but to do so openly is foolish.

Mr. Brooke: I confirm that the exchange rate affects the scale of overseas assets.

The right hon. Gentleman's second question does not seem to follow from the question originally asked by my hon. Friend the Member for Mid-Worcestershire (Mr. Forth).

Sir William Clark: Does my right hon. Friend agree that the excellent figures of overseas assets prove the strength of the British economy? Does he further agree that the money that has been invested abroad has been extremely good, not only for our invisibles, but for our export potential? Does he also agree that we should do nothing to prevent the mobility of capital, no matter where that capital is invested?

Mr. Brooke: I endorse my hon. Friend's views. The removal of exchange control has played a substantial part in the build up of the assets that we have secured.

Mr. Holland: Surely the Government realise that the scale of foreign direct investment by British companies is disproportionate to Japanese investment. Japanese investment is mainly in the financial sector and buying other countries' companies. Our foreign investment substitutes for export trade. The evidence to prove that suggests that the scale of United Kingdom direct investment is undercutting exports to other countries and that is one of the reasons why we do not have an effective response even when the pound is low, and despite the fact that at the moment the Chancellor cannot get it low.

Mr. Brooke: In practical terms the answer to that question is the opposite to the hon. Gentleman's proposition. He has omitted to notice that the Japanese have placed their largest investment within the European Community in this country. A substantial part of that investment is in manufacturing.

Mr. Batiste: Does my right hon. Friend agree that the benefits accruing to Britain from those overseas assets will continue long after the transient benefits of North sea oil? That is a major vindication for the abolition of exchange control.

Mr. Brooke: My hon. Friend is correct. In 1987 the net income from overseas assets was the highest ever recorded.

Balance of Payments

7. **Mr. Henderson:** To ask the Chancellor of the Exchequer what impact he expects the taxation changes announced in his Budget to have on the balance of payments.

12. **Mr. Darling:** To ask the Chancellor of the Exchequer if he will assess the impact of the taxation changes in the Budget on the current account of the balance of payments.

The Chancellor of the Exchequer (Mr. Nigel Lawson): None.

Mr. Henderson: What action will the Chancellor take to prevent the rich from further damaging our balance of payments by spending their tax cuts on European cars, Japanese electronics and perhaps even Swiss chocolates?

Mr. Lawson: If I may say so, that is an extremely foolish question, even from the hon. Gentleman. I do not know whether we shall be told, in one of the new policy documents on public enterprise culture that are coming from the Labour party every day, what people may or may not spend money on, but the plain fact is that what distinguishes the rich is that they save a higher proportion of their income.

Mr. Darling: Despite the Chancellor's answer, is it not inevitable that increased consumer spending as a result of the tax cuts is bound to suck in more income? Will he consider what changes he can make to company taxation to encourage spending on research and development so that British manufacturing industry can improve its position, which in some cases is quite woeful?

Mr. Lawson: We all know that the Labour party is against tax cuts, that the Labour party voted against the basic rate tax cuts in the Budget, and that the Labour party, if it ever had the mischance to gain office again, would put taxes up, but that is not the road to economic success, as we saw when the Labour party was in office. The tax reductions in the Budget are part of a supply side programme which will improve the performance of the economy, and, over time, strengthen not only our economy as a whole, but the balance of payments in particular.

Mr. Tim Smith: Does my right hon. Friend recall that in the past United Kingdom Governments have deliberately devalued the currency in an attempt to increase export competitiveness and have usually failed to do so? Will he compare that with the performance of the strongest economies, such as Germany, Switzerland and Japan, which have the strongest currencies and also the strongest export performance?

Mr. Lawson: My hon. Friend makes a very good point. It is very difficult to know what is the current policy of the Opposition. The hon. Member for Dagenham (Mr. Gould) does have an exchange rate policy—that, whatever the exchange rate, it ought to be 20 per cent. lower. He has made that clear on a number of occasions. Perhaps the right hon. and learned Member for Monklands, East (Mr. Smith) will tell us whether he agrees with that.

Mr. Yeo: Does my right hon. Friend agree that the exceptionally strong overseas asset position that we now enjoy, coupled with the healthy state of public finances, means that we can regard with equanimity the prospect even of a balance of payments deficit? Is it not clear that since the Budget the foreign exchange markets have taken the same view?

Mr. Lawson: My hon. Friend is right. The temporary current account balance of payments deficit after six or seven years of continuous surplus is not a matter that should cause alarm. Certainly it is striking how overseas opinion has confidence in the British economy, despite the temporary current account deficit. That is shown by the popularity of sterling at the present time. It is also shown

by the *Fortune* (9 May, 1988) article to which my hon. Friend the Member for Mid-Worcestershire (Mr. Forth) referred, which said:

"*Britain is Back* . . . the 20th century's archetype of unstoppable industrial decline has suddenly stopped declining and come roaring back."

Mr. Cryer: Will the Chancellor of the Exchequer talk about the booming economy and explain what the Government are going to do to remedy the current balance of payments deficit of about £4·5 billion? What are they going to do about the balance of trade deficit in manufactured goods with the Common Market, which is in excess of £10 billion? Does he regard those massive balance of trade and payments deficits as a mark of economic success, or of economic disaster, along with the 2 million jobs that the Government have disposed of in the manufacturing industry—more than Adolf Hitler achieved between 1939 and 1945?

Mr. Lawson: Manufacturing industry is doing very well indeed and is doing better all the time. That has been recorded in CBI survey after CBI survey. I do not think that the hon. Gentleman's crude mercantilism is a help in understanding these economic matters. The plain fact is that if monetary policy is sound, inflation is low, fiscal policy is sound—indeed, we have a balanced Budget and we have a surplus—and British industry is getting steadily more efficient, there is very little wrong with the British economy.

Mr. Watts: Does my right hon. Friend agree that his Budget tax changes will help to sustain our extremely satisfactory rate of economic growth and the improvement in the performance of our economy, upon which our trading performance ultimately depends?

Mr. Lawson: My hon. Friend is right. Our growth throughout the 1980s has been consistently at the top of the major European league table, and I expect that it will again be at the top of that league this year. As for the future, that is the whole point of the supply side policies that we have been pursuing in successive Budgets—to create a climate in which British industry and the British people can give of their best. That is why the British economy is doing so much better than it has ever done at any time since the war.

Mr. John Smith: As the Chancellor raised the question of exchange rate policy during earlier exchanges, can he tell us straight what his policy is on the exchange rate? He told us when the pound was less than Dm3 that the pound should follow the deutschmark. Since then it has gone up, through various so-called unsustainable levels, until it now stands at Dm3·16 and may go higher. Do the Government want the pound to be worth more, or less?

Mr. Lawson: Perhaps the right hon. and learned Gentleman can answer that question. I put it to him earlier. I have explained the policy very clearly to the Treasury and Civil Service Select Committee. That explanation is now available and it is well known to most hon. Members on both sides of the House. We also know the policy of the hon. Member for Dagenham (Mr. Gould), which is that whatever the exchange rate is, it should be at least 20 per cent. lower. That is not my policy. What is the Opposition's policy, and what is the right hon. and learned Gentleman's policy?

Pensions (Income Tax)

8. **Mr. Waller:** To ask the Chancellor of the Exchequer what is his estimate of the weekly value to the average pensioner couple of the changes in income tax for 1988-89.

Mr. Major: The Budget changes in income tax will be worth over £4·10 a week to the average pensioner couple paying income tax.

Mr. Waller: While recognising that about half of all pensioner couples do not pay income tax at all, and that this year's Budget will have taken about 195,000 pensioners out of income tax altogether, may I ask whether my right hon. Friend agrees that it is very good news for all those pensioners who pay tax that they will have gained, on average, about £4·19 a week from this Budget?

Mr. Major: I entirely agree with my hon. Friend, except in one tiny respect. It is not one half of pensioners who do not pay tax. As a result of the increase in age allowance and other changes, two thirds of pensioners do not now pay income tax.

Mr. Winnick: How can the Minister justify that claim? Although pensioners will receive a tax reduction, in many cases they will be paying £15 to £20 a week more in rent and rates, compensation for which will be only on a transitional basis? How do the Chancellor and the Chief Secretary justify a position in which the richest 1 per cent. of taxpayers are receiving 70 per cent. of all the Budget tax concessions?

Mr. Major: Between 1979 and now pensioners' real incomes have risen, in real terms, five times more than they increased in real terms between 1974 and 1979. Most pensioners' incomes under the social security changes have been either increased or are unchanged. The transitional protection arrangements that were announced by my right hon. Friend the Secretary of State for Social Services deal with the problems that are faced by a minority of pensioners who, until then, were losers.

Mr. Jack: Does my right hon. Friend agree that, in addition to the benefits from the tax changes as they affect pensioners, the control of inflation is also important, as it affects their disposable income? Pensioners remember how they were affected during the period when those who sit on the Labour Benches were in government. Does my right hon. Friend also agree that the increase in their disposable income will give pensioners a great opportunity to take the products of national savings, many of which are tax-free?

Mr. Major: I agree entirely with my hon. Friend. The change that has taken place in recent years in the living standards of pensioners was most effectively shown in the family expenditure survey that was published some time ago. Many people were considerably surprised by the improvement that has taken place.

Mr. Chris Smith: Is the Chief Secretary able to tell us what the weekly impact is on a pensioner couple, especially those with a small occupational pension, of the changes in the housing benefit tapers and the 20 per cent. rates payment provisions that were introduced by the Government in April? Do they not wipe out in hundreds of thousands of cases any small benefit that was available under the Budget?

Mr. John Smith: Yes.

Mr. Major: No, the answer is not necessarily yes. The net effect on a pensioner couple as a result of the changes will depend on a variety of intangibles, but in the vast majority of cases considerable protection is provided against them, and the average living standards of pensioners have materially increased.

Economic Growth

10. **Mr. Cran:** To ask the Chancellor of the Exchequer what were the regional growth rates in the British economy in 1986-87; and what information he has on regional growth rates in other Organisation for Economic Co-operation and Development countries.

Mr. Lawson: The latest official estimates of United Kingdom regional money GDP growth, measured at factor cost, are for 1986. I shall arrange for the relevant information to be placed in the *Official Report*. Estimates for regional GDP, but on a somewhat different basis, are available for other EC countries in the Eurostat Yearbook of Regional Statistics, a copy of which may be obtained through the House Library.

Mr. Cran: Is my right hon. Friend aware that unemployment in my constituency of Beverley in east Yorkshire has fallen by the staggering total of 22 per cent. in the past year? Is it not an incontrovertible truth, and a fact that should be understood by the Labour Benches, that the Government's economic policy works in the north of England as well as in the south?

Mr. Lawson: My hon. Friend is right. One of the most encouraging signs of the current strength of the economy is the way in which prosperity is spreading throughout the economy and unemployment is coming down throughout the economy. Only the other day I was looking at the figures for job vacancy advertisements in some of the leading regional papers. It was interesting to note that in the *Manchester Evening News* job vacancy advertisements are up 26 per cent. from a year ago; in the Bradford *Telegraph and Argus* they are up 40 per cent. and in the *Birmingham Evening Mail* they are up 41 per cent. My hon. Friend will be particularly interested to know that job advertisements in the *Yorkshire Post* are up 61 per cent.

Mr. Maclennan: Is the Chancellor not worried by the expansion of domestic credit—*[Interruption.]*—as manifested by the inflation of house and property prices in the south-east? If he is to take corrective action on interest rates, which he was hinting to the *Wall Street Journal*, will he also take action to protect those parts of the regional economy that are not suffering from these problems?

Mr. Lawson: As I pointed out, one of the most encouraging aspects of the current economic scene is the way in which prosperity is now spread throughout the country, and in which unemployment in particular has gone down faster in many regions than in the south-east of England. Of course there is a regional imbalance; there always has been. When the hon. Member for Caithness and Sutherland (Mr. Maclennan) was a member of the Labour party—I do not know his party now—and indeed a junior Minister, there was a regional imbalance. But all parts of the economy are growing faster now than they were then.

Mr. Oppenheim: Bearing in mind the effects on growth of exchange rates, can my right hon. Friend tell us the cost of supporting the dollar last year and the loss in sterling terms? Does he think that it was money well spent?

Mr. Lawson: We do not publish figures of the exchange equalisation account and its operations, for obvious reasons. No previous Government have done so. If the House wants to investigate this matter, a perfectly proper channel for that is an investigation by the Public Accounts Committee, as indeed occurred in 1978. At that time the practice of the Government, which was the same as this Government's, was endorsed. As for intervention in the foreign exchange markets, it is a very foolish Government who refrain from intervention in foreign exchange markets in all circumstances.

Mr. Skinner: When the Chancellor of the Exchequer has looked through all those newspapers at the situations vacant columns, and perhaps found himself a job, will he tell the Prime Minister first? When he has done with it, will he get all the bundles of papers together and pass them to the leader of the SDP, because he is looking for a job, and then pass them on to the Liberal Chief Whip, because he is looking for a job, and then to the present leader of the Liberal party/SDP, because he is looking as well?

Mr. Lawson: I do not think it would be right of me to intrude into this delicate subject of rather private grief.

Following is the information:

Regional increases in money GDP
(percentage changes on year earlier, current prices, factor cost)

	[1] *1986*
North	11·3
Yorkshire and Humberside	9·2
East Midlands	10·2
East Anglia	12·3
South-East	11·7
South-West	11·6
West Midlands	8·4
North-West	9·3
Wales	7·7
Scotland	7·7
Northern Ireland	7·1
United Kingdom[2]	10·3

[1] Provisional.
[2] Excluding the continental shelf region.
Source: Economic Trends, November 1987, page 86.

11. **Mr. Baldry:** To ask the Chancellor of the Exchequer what has been the United Kingdom annual inflation-adjusted rate of growth since 1981; and what equivalent information he has about the United Kingdom's major competitors.

Mr. Major: Between 1981 and 1987, total output in the United Kingdom grew on average by over 3 per cent. a year. That is faster than in any of the other seven major industrial countries except Japan.

Mr. Baldry: Is it not particularly gratifying that, in 1987, growth in United Kingdom manufacturing output was dramatically higher than in any other country in the Group of Seven? Will my right hon. Friend consider going halves with me in buying every Opposition Member a copy of the recent issue of "Fortune" magazine, so that they

may have a better comprehension of the dramatic and continuing improvement of the United Kingdom economy?

Mr. Major: I entirely agree with my hon. Friend's first point. On his second point, I am not entirely sure that it would be money well spent, but I am prepared to try it. For my hon. Friend's interest, and that of the Opposition, I affirm that, since 1980, in manufacturing alone, output per British worker has risen by more than 5 per cent. a year. That is even faster than at any time in the 1960s.

Inflation

13. **Mr. Beith:** To ask the Chancellor of the Exchequer if he will make a further statement on progress towards the elimination of inflation.

Mr. Major: The elimination of inflation remains our ultimate objective.

Mr. Beith: As the Government—*[Interruption.]*

Mr. Speaker: Order. Interruptions take up a lot of time.

Mr. Beith: Talking of ultimate objectives, as the Government are acknowledged to be three years behind on their target of eliminating inflation, will the Chief Secretary tell us to what extent that is because of price increases that the Government have imposed on nationalised industries, and to what extent it is because of the Chancellor's judgment that the measures that are necessary to squeeze inflation out of the system will stop growth?

Mr. Major: For reasons that are unknown to me, the hon. Gentleman's popularity seems to have grown rather substantially in the past few days.

The slower progress is not really surprising, given the strong growth performance of the economy. The hon. Gentleman touched upon that proposition in his question.

Mr. Nicholas Winterton: Although exchange rates clearly have an important role to play in bringing down inflation, does my right hon. Friend accept that the competitive edge of British industry could be undermined if sterling continues to rise? My right hon. Friend has referred to the tremendous contributions that manufacturing has made to the British economy in recent times, but such contributions could be completely undermined. Is it not important that we keep a careful watch if we wish British manufacturing to continue to play a major role in our economy?

Mr. Major: As my hon. Friend knows, it is certainly the Government's intention to ensure that manufacturing continues to grow as it has done. On that basis, we are certainly keen to aim at price stability. We agree, too, that the stability objective in the exchange rate is also a highly desirable proposition.

Balance of Payments

14. **Mr. Wareing:** To ask the Chancellor of the Exchequer what is his latest estimate of the balance of payments deficit for 1988-89.

Mr. Lawson: The financial statement and budget report forecasts a current account deficit of £4 billion in 1988.

Mr. Wareing: Does that answer not reveal to us that one of the real reasons for the deficit has been the fact that the Government have converted a manufacturing trade surplus into a chronic deficit? Will the Chancellor take the opportunity now to explain how high exchange rates will help our exporters to be competitive, and how, as he said in his interview in the *Wall Street Journal*, high interest rates, not only in this country but in others, will increase economic activity, encourage investors and, indeed, boost employment?

Mr. Lawson: I am surprised that this figure really reveals anything, because it was published two months ago. As for the substantial point that the hon. Gentleman made, the comparison between this Government and the Labour Government is quite the reverse. During the whole period that this Government have been in office there has been cumulatively a substantial current account surplus, whereas during the Labour Government's period there was a current account deficit. Even more important is the real sign of competitiveness of manufacturing—yes, of manufacturing. During the period of the Labour Government Britain's share of world trade in manufactured goods was steadily declining. During the period that we have been in office it has stopped declining for the first time in decades, and has in fact risen slightly.

Husband and Wife Taxation

17. **Mr. Knapman:** To ask the Chancellor of the Exchequer if he will estimate the effect upon elderly taxpayers of the change to independent taxation of husband and wife.

Mr. Norman Lamont: Over 80 per cent. of the 1·1 million elderly married couples paying tax under the present system will have less tax to pay under independent taxation, and 160,000 elderly couples will be taken out of tax altogether.

Mr. Knapman: I am obliged to my right hon. Friend for that reply. Can he confirm that elderly wives will get age allowance in their own right for the first time?

Mr. Lamont: My hon. Friend is right. That is one of the aspects of independent taxation that makes it very valuable to elderly people.

Manufacturing Output

19. **Mr. Devlin:** To ask the Chancellor of the Exchequer if he will make a statement on the growth of manufacturing output in 1987.

Mr. Norman Lamont: Manufacturing output grew by 5¼ per cent. between 1986 and 1987.

Mr. Devlin: Given the fact that there has been a 90 per cent. increase in GDP per head in the northern region, does my right hon. Friend see a significant improvement in manufacturing industry in that region?

Mr. Lamont: As my right hon. Friend the Chancellor said earlier, this last year has been an extremely strong one for manufacturing output, and he expects that the same will be true for this year as well. That obviously bodes well for the northern region.

PRIME MINISTER

Engagements

Q1. **Mr. Roy Hughes:** To ask the Prime Minister if she will list her official engagements for Thursday 12 May.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Mr. Hughes: In the course of her busy schedule, will the Prime Minister pause to consider the desperately long hospital waiting lists in Gwent, which, combined with the recent Scrooge-like cuts in social security benefits, would seem to illustrate her complete lack of concern for the plight of ordinary people? May I point out to her—or perhaps she needs an astrologer, after all—that it was factors of this sort that led to the virtual extermination of the Conservative party in Newport in the local elections last week?

The Prime Minister: With regard to the Health Service, first, there have been two specific programmes directly related to cutting down waiting lists that have been very successful. Secondly, there have not been cuts in the Health Service. Indeed, nearly £2 billion more is allocated to the Health Service this year than last. Thirdly, there have also been increases in social security. Again, another £2 billion has been allocated to social security over and above previous years. None of this could have been done unless my right hon. Friend the Chancellor had run the economy in such a way as to ensure a higher standard of living and of social services.

Sir Marcus Fox: Will my right hon. Friend take time today to consider the implications of the gains made by the Conservative party last week on the Bradford metropolitan district council, plus the defection this week of a Labour councillor who has joined us, thus making us the largest group on the council? Is this not a sign that people in the inner cities are looking to us to ensure for them a better future by controlling Government locally and nationally?

The Prime Minister: Yes. I join my hon. Friend in congratulating the people of Bradford on their wisdom. The results give Bradford new hope and a new chance. Prosperity is spreading widely all over the country, including the Bradford area.

Q2. **Mr. William Ross:** To ask the Prime Minister if she will list her official engagements for Thursday 12 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Ross: Does the Prime Minister recall that a few days ago she told the House that she would seek reassurances from the Government of the Irish Republic that they would not back out of their responsibilities under the Anglo-Irish Agreement with regard to terrorism? Does she recall, further, that she told the House that the people of Northern Ireland would have their rights maintained under the Anglo-Irish Agreement and that the Government of the Irish Republic had accepted that? Did her right hon. Friend the Secretary of State bring back such assurances after his private meeting with Mr. Haughey last week?

The Prime Minister: The hon. Member has quoted correctly what I said. The Anglo-Irish Agreement was signed by both Governments and registered with the United Nations, and must continue to be upheld. That, I believe, is now understood on both sides of the border.

Mr. Heseltine: Will my right hon. Friend reflect on the fact that it is 40 years to this very day since a Labour Minister announced that Britain would have its own independent atomic deterrent? Will she further reflect upon the remarkable contrast between what now must be seen as the giants of the postwar Labour Government and the political and parliamentary pygmies who have replaced them?

The Prime Minister: Yes. In those days there was virtually no difference between the two sides of the House on the importance of defence and the nuclear deterrent. What a pity there is such a difference now.

Mr. Blunkett: In view of the Government's unwillingness to use the Industry Act 1975 or other powers to intervene to protect Rowntree from the proposed takeover by Nestlé, will the right hon. Lady confirm that she is not willing to intervene to protect any industry, service or national asset from international predators and that it is the Opposition, not the Conservative Government, who would protect workers and the people of Britain?

The Prime Minister: I confirm what my right hon. and learned Friend pointed out on Tuesday, that when we receive a bid it has to be dealt with in accordance with the law passed by the House, after debate. That law is that the opinion of the Office of Fair Trading must be obtained and that the Secretary of State must wait to receive that opinion before making up his mind on whether such a bid should be referred to the Monopolies and Mergers Commission. After that has been received, he will decide. If he decides to refer it, the matter can be dealt with under competition rules or under public interest. I hope that the hon. Member is not suggesting that we can disobey the law of the land.

Rev. William McCrea: Will the Prime Minister take it from me that the vast majority of the people throughout the United Kingdom deplore the unwarranted attacks on the members of the SAS who carried out an effective action in Gibraltar in defence of the innocent? Does the Prime Minister agree that it is disgusting that some people inside and outside the House are more concerned about terrorists than about the welfare of our security forces?

The Prime Minister: I join the hon. Gentleman in saying how thankful we are for the excellent services of all members of the security forces in protecting us from terrorism.

Q3. **Mr. Wareing:** To ask the Prime Minister if she will list her official engagements for Thursday 12 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Wareing: Following the disclosure yesterday in the National Security Archive in Washington of Colonel Oliver North's memoranda, can the Prime Minister give

the House a categorical assurance that her Government have never, either directly or indirectly, perhaps through the CIA or her friend Colonel Pinochet in Chile, facilitated the supply of arms to the Contra terrorists in Nicaragua?

The Prime Minister: I have given the answer so many times. I will repeat it again. I can say categorically that we have not agreed to supply Blowpipe, and we have not supplied Blowpipe, to the Contras.

Mr. Forth: Has my right hon. Friend yet sent congratulations to the President of France on his re-election? Has she noticed that the leaders of the Governments in two of the great democracies in the world, France and the United States, will reach the end of their elected terms of office in their late seventies? Is she determined not to be outdone in this matter?

The Prime Minister: I have sent a message of congratulations to the President of France, and I have spoken to him. We hope to arrange a meeting, probably before the Toronto summit, to discuss important matters. I have also noted the point to which my hon. Friend referred. I assure him that at all times I shall take a balanced view of these matters.

Mr. Kinnock: The pound has risen again against the deutschmark. Is the Prime Minister content to see it going on rising?

The Prime Minister: The right hon. Gentleman will complain when the pound goes up and when the pound goes down. The Chancellor will run the economy in such a way that he will combine low inflation with good economic growth. He has been extremely successful in that objective. It is an objective and an achievement which completely eluded the Opposition.

Mr. Kinnock: It is a pity that the Prime Minister could not answer that question. Can she answer this one? Does the right hon. Lady recall the Chancellor of the Exchequer saying two weeks ago, when the pound was lower than it is now,

"I do not want to see the exchange rate appreciate further. It would be unsustainable and . . . damages business and industry."

Does the right hon. Lady agree with the point that the Chancellor made?

The Prime Minister: I agree that the Chancellor runs the economy extremely well, with low inflation—which Opposition Members were never able to do—and with excellent growth, giving all people in this country a much higher standard of living.

Mr. Kinnock: That is all very interesting. Can the right hon. Lady give us a straight answer? Does the Prime Minister agree with her Chancellor of the Exchequer?

The Prime Minister: We shall continue to run the economy, with low inflation, and excellent growth, which gives a high standard of living and a high standard of social services. It is that total picture that counts. What a pity that the right hon. Gentleman cannot understand the answers or the economics.

Mr. Holt: May I draw my right hon. Friend's attention to the position today in Langbaurgh and Redcar, where the Labour party is in total disarray?

Mr. Speaker: The Prime Minister is not responsible for that.

Mr. Holt: Will my right hon. Friend today send a message of support to the new Conservative mayor of the borough of Langbaurgh and Redcar, where the Labour administration has fallen apart and two Labour Members are now voting with the Conservatives?

The Prime Minister: I will join my hon. Friend in doing just that, and join him in congratulating the mayor.

Mr. Bernard Ingham

Q4. **Mr. Dalyell:** To ask the Prime Minister on approximately how many occasions since January 1986 Mr. Bernard Ingham has given briefings to the press on the unauthorised disclosure of letters between Ministers; and if she will make a statement.

The Prime Minister: As the hon. Gentleman knows, it is not the practice to comment on Lobby briefings.

Mr. Dalyell: Why is it that in the course of many, many speeches, many, many broadcasts and many, many press statements, not once has the truthfulness of the Prime Minister and of Mr. Ingham about the events of January 1986 been endorsed either by the right hon. and learned Member for Richmond, Yorks (Mr. Brittan) or the giant from Henley (Mr. Heseltine)?

The Prime Minister: The details have been given many, many times in the House. I have nothing further to add to them.

Mr. Cash: Will my right hon. Friend note today that the——

Mr. Speaker: Order. The hon. Gentleman has not looked at the Order Paper. This is a definitive question.

Q5. **Mr. Winnick:** To ask the Prime Minister if she will list her official engagements for Thursday 12 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Winnick: Is the reason why no replacement was made when Lord Whitelaw resigned as Deputy Prime Minister that the right hon. Lady already has a Deputy Prime Minister, her chief press secretary, Mr. Ingham? Although the right hon. Lady clearly has many difficulties in getting on with her Foreign Secretary and Chancellor of the Exchequer, is it desirable that a chief press secretary should have more influence in policy matters than any of her Cabinet colleagues?

The Prime Minister: The hon. Member must be hard put to it for a question to ask that one. I note that he cannot find a single thing to criticise about the economy or about the way in which the country is run. How very revealing.

Mr. Maxwell-Hyslop: If my right hon. Friend today, as First Lord of the Treasury, receives a request that the Bank of England Export Credits Guarantee Department should underwrite any deposits required by aspirants for the job of leader of the Social and Liberal Democrats, will she please resist it as firmly as she can?

The Prime Minister: I take note of my hon. Friend's sentiments.

Q6. **Mr. A. J. Beith:** To ask the Prime Minister if she will list her official engagements for Thursday 12 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Beith: How long will it be before the pensioners who are now paying increased rents but hope to benefit from the Government's about-turn on the social security changes know for certain that they will benefit, and how long will it be before they receive the money?

The Prime Minister: I think that the hon. Gentleman, who I hope has an interesting week ahead, will already have received a letter from the Department of Health and Social Security giving details of a freepost and freephone service, where any inquiries can be made. He will know that a special unit has been set up in Glasgow to deal with each of those matters, and he will also know the place to which people can apply if they have any queries.

Mr. Squire: Following my right hon. Friend's visit to Docklands this week, will she underline from the Dispatch Box the outstanding achievements in terms of jobs, housing and transport systems that the combination of private and public funding has achieved?

The Prime Minister: Yes. I went to Docklands yesterday. The result of the work of the London Docklands Development Corporation is quite outstanding. It is outstanding in the amount of investment that has been made there. About £4 billion of private sector investments have been secured. It is outstanding in the number of jobs that the area is providing. There are now 36,000 jobs in Docklands and the number unemployed has fallen by 15 per cent. It is outstanding in community support. About £17 million has been spent on that. It is outstanding in increased road and rail improvements. It is outstanding in housing in the private sector, and one notes that a quarter of purchasers of new homes on LDDC sites were former local council tenants. It is an outstanding achievement in every way for private enterprise, the imagination of the Government and the way in which the whole scheme has been administered by the first two chairmen and their deputies.

Business of the House

3.31 pm

Mr. Frank Dobson (Holborn and St. Pancras): Will the Leader of the House state the business for next week?

The Lord President of the Council and the Leader of the House of Commons (Mr. John Wakeham): The business for next week will be as follows:

MONDAY 16 MAY—Until seven o'clock, private Members' motions.

Second Reading of the Civil Evidence (Scotland) Bill *[Lords]*.

TUESDAY 17 MAY AND WEDNESDAY 18 MAY—Remaining stages of the British Steel Bill.

At the end on Tuesday, motion to take note of EC documents on the joint research centre, and on Eureka and Community science and technology. Details will be given in the *Official Report*.

Followed by remaining stages of the Matrimonial Proceedings (Transfers) Bill *[Lords]*.

At the end on Wednesday, motion relating to the Personal Community Charge (Students) (Scotland) Regulations.

THURSDAY 19 MAY—Opposition Day (12th Allotted Day) (1st part). Until seven o'clock there will be a debate on an Opposition motion entitled "The Future of British Shipbuilding".

Motion to take note of EC Documents on own resources and future financing, and the 1987 and 1988 Community Budgets. Details will be given in the *Official Report*.

FRIDAY 20 MAY—There will be a debate on the arts on a motion for the Adjournment of the House.

MONDAY 23 MAY—Opposition Day (12th Allotted Day) (2nd part). Until seven o'clock there will be a debate on an Opposition motion, subject for debate to be announced.

Remaining stages of the Firearms (Amendment) Bill.

The House will wish to know, Mr. Speaker, that subject to the progress of business it will be proposed that the House should rise for the spring Adjournment on Friday 27 May until Tuesday 7 June.

[Debate on Tuesday 17 May 1988
Relevant European Community documents

(a) 9454/87, 5616/88	*Joint Research Centre*
(b) 10845/86	*Eureka and the European Community*

Relevant report of European Legislation Committee
(a) HC 43-xii (1987-88) para 1 (9484/87)
(b) HC 22-vii (1986-87) para 3

Debate on Thursday 19 May 1988
Relevant European Community documents

(a) 10552/86, (b) Unnumbered	*1987 Community budget*
(c) Unnumbered	*Carry-over of appropriations 1986-87*
(d) 6037/87, (e) 6822/87, (f) 7552/87	*1987 budget situation: supplementary and amending budget No. 1/87*
(g) 6048/87, (h) 7211/87, (i) COM(87)240, (j) COM(87)677, (k) COM(88)81	*1988 preliminary draft budget*
(l) 4766/88	*1988 draft budget*
(m) 4051/87	*Financial engineering*
(n) 5266/88	*Own resources*
(o) 5282/88	*Amendments to financial regulation*
(p) Unnumbered	*Budgetary discipline*

Relevant report of European Legislation Committee
(a) HC 22-iv (1986-87) para 4
(b) HC 22-xv (1986-87) para 3
(c) HC 22-xvi (1986-87) para 2
(d) HC 43-ii (1987-88) para 3
(e) HC 43-ii (1987-88) para 3
(f) HC 43-ii (1987-88) para 3
(g) HC 43-ii (1987-88) para 4
(h) HC 43-ii (1987-88) para 4
(i) HC 43-ii (1987-88) para 4
(j) HC 43-xiv (1987-88) para 3
(k) HC 43-xx (1987-88) para 4
(l) HC 43-xxi (1987-88) para 4
(m) HC 22-xiii (1986-87) para 3
(n) HC 43-xxiii (1987-88) para 1
(o) HC 43-xxiv (1987-88)
(p) HC 43-xxiv (1987-88)]

Mr. Dobson: I thank the Leader of the House for his statement and for providing Government time for a debate on the arts. We hope that it is not a case of "Debate now while stocks last".

When may we expect a statement from the Secretary of State for Social Services on the U-turn unit set up to sort out the confusion that has occurred since the Government agreed not to cut housing benefit by as much as they originally intended? Hon. Members on both sides of the House still do not know the answers to the many questions that they are being asked by constituents who have been affected and they need an opportunity to obtain some answers from the Secretary of State.

Secondly, when can we expect the wide-ranging debate on foreign affairs that the Leader of the House promised some months ago?

Thirdly, may we expect an early Government statement on the reasonable and entirely justified desire of ex-Japanese prisoners of war to obtain compensation for their suffering?

Fourthly, in view of the outbreak of salmonella poisoning in the House of Lords, will the right hon. Gentleman, in the interests of all of us, even including those in the Press Gallery, bring forward a Bill to lift Crown immunity from the Palace of Westminster or give a fair wind to the Bill sponsored by my hon. Friend the Member for Stoke-on-Trent, North (Ms. Walley) to do so?

Mr. Wakeham: First, the hon. Gentleman referred to the debate on the arts and I am grateful to him for his appreciation of the fact that we have found time for a debate on that important subject.

Secondly, the hon. Gentleman referred to the social security arrangements announced by my right hon. Friend. I believe that the statement and the letter sent by my hon. Friend the Minister for Social Security and the Disabled adequately set out the way to proceed, and, as

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my right hon. Friend the Prime Minister has said, those who want further information should follow the procedures. Nevertheless, I shall refer the matter to my right hon. Friend to see whether anything else needs to be done.

I know that there is considerable interest in having a debate on foreign affairs, and, although I cannot see the possibility of a debate in the immediate future, I shall certainly be looking for an opportunity before long.

I recognise that recent court judgments are of concern to ex-Japanese prisoners of war. Clearly those responsible will have to study the matter before we can make an announcement on it.

With regard to the unfortunate events in the House of Lords, I am not sure that bringing more legislation before the House will do much good for those who may be in difficulties at present. Most hon. Members will know about the strain of salmonella poisoning from which some people in the House of Lords are suffering. I shall ensure that the House is kept informed of any developments.

Sir Bernard Braine (Castle Point): In regard to the conduct of business, is my right hon. Friend aware of the anger and frustration, both in the House and the country, at the way in which the Abortion (Amendment) Bill, having secured its Second Reading by a substantial majority, having gone through its Committee stage successfully and having completed its Report stage save for the vital final votes, was talked out? As the Government will not give time for the completion of this private Member's Bill, seeking to amend a major Act, which is on the statute book only because a previous Government gave it additional time, does it not follow that they are morally bound to take up the issue themselves and to promote legislation to end the scandal of late abortions? When may we expect a statement from my right hon. Friend?

Mr. Wakeham: I recognise the very strong concerns expressed by my right hon. Friend and by many others in the House and the country. As I said to the House on Friday, the hon. Member for Liverpool, Mossley Hill (Mr. Alton), who is in charge of the Bill, has nominated tomorrow as the day for further discussion, so there may be an opportunity for the House to decide these matters if that is what it wishes to do. The Government's position is already clear. It is not our practice to provide extra time for the consideration of individual private Members' Bills, and I do not want to anticipate tomorrow's proceedings. My right hon. Friend knows that if his assessment of them is correct, I am ready to discuss the matter with him.

Mr. David Alton (Liverpool, Mossley Hill): Without anticipating tomorrow's proceedings, may I draw the attention of the Leader of the House to early-day motion 1086, signed by 107 hon. Members and urging that compensatory time be provided?

[That this House noting the great public interest in the Abortion (Amendment) Bill and the concern that this House should reach a decision on this important matter, calls upon the Government to find the means by which time can be provided to compensate for that which was lost on Friday 6th May in order to enable such a decision to be reached.]

The Bill achieved a majority of 45 on Second Reading; we completed the debate on Report and were in the midst of the votes on Report. The early-day motion seeks to resolve that constitutionally awkward position. Will the Leader of the House at least consider other ways in which the Government can provide for hon. Members to arrive at a proper decision on the question?

Mr. Wakeham: I hear and understand what the hon. Gentleman says but do not want to anticipate what happens tomorrow. The Government believe that it is a very grave step for them to intervene in the process of private Members' Bills. I repeat that it is not the Government's practice to provide extra time.

Sir Fergus Montgomery (Altrincham and Sale): I add my pleas to the two that have already been made to my right hon. Friend. I have to say in fairness that, on Friday, the debate had finished and the arguments had all been put but, because of the tactics used by the Bill's opponents, the votes were not allowed to be taken. As the debates have been completed and the arguments put, I do not understand why the Bill's opponents are not prepared to allow the House to make a democratic decision. Although I understand the Government's difficulties in allowing extra time for private Members' Bills, surely we can at least have time to take the votes after hearing the arguments.

Mr. Wakeham: I recognise what my hon. Friend says and I wish that I could be more forthcoming. As my hon. Friend knows perfectly well, this is a controversial matter. The Government's position is clear, and I do not think that I can add to what has been said.

Mr. Merlyn Rees (Morley and Leeds, South): I thank the Leader of the House for passing on to the Home Office my constantly raised question about reform of the Boundary Commission procedures. Now that the Home Office has turned down the report by the Select Committee on Home Affairs, would it not be a good idea to have a debate? When the Boundary Commission starts work, many hon. Members will find that the same mistakes will be made next time as were made last time.

Mr. Wakeham: I am grateful to the right hon. Gentleman for his comments. I recognise his experience in these matters and take what he says very seriously. I do not know whether there is a general desire for a debate, but I shall consider the matter and ascertain what can be done, if necessary.

Dr. Charles Goodson-Wickes (Wimbledon): I am aware of my right hon. Friend's attitude to the Government giving time for debates on private Members' Bills, but will he say whether or when time can be provided for the Abortion (Amendment) (No. 2) Bill, now under consideration in another place? The Bill, after long consideration, recommends the 24-weeks limit, which it appears may command a majority of support in this House. I make this plea in the belief that there is a degree of frustration, both in the House and in the country, about the inconclusive attitude adopted towards the Abortion (Amendment) Bill in this House. I suggest that this would be a constructive way forward.

Mr. Wakeham: I say in all friendliness to my hon. Friend that I have enough difficulty in sorting out the Bills that are presently before the House without anticipating what I shall do about the Bills that have not yet arrived.

Mr. Alfred Morris (Manchester, Wythenshawe): Has the Leader of the House seen my early-day motion 543 on New Zealand and the EEC?

[That this House affirms the right of British consumers to continue to buy butter from New Zealand in the same quantities as now; and calls upon Her Majesty's Government to ensure that there will be no diminution in New Zealand's butter exports to the United Kingdom.]

It now has more than 200 signatures of hon. Members on both sides of the House. Does the right hon. Gentleman agree that a motion with support on that scale should be debated soon by the House, especially since it is on a matter of so much importance to New Zealand and the British consumer?

Mr. Wakeham: I recognise the force of what the right hon. Gentleman says. The Community will have to take into account a range of factors, including budgetary costs, consumers' views, its stance on trade policy issues in general and the pressures on the dairy industry resulting from quotas. It would be premature to discuss the Government's approach before the Commission has made proposals.

I am sure that the whole House would wish to express to the very distinguished New Zealand high commissioner and his family our sympathy following the dreadful physical attack made upon them and to wish them a full and speedy recovery.

Sir Anthony Grant (Cambridgeshire, South-West): My right hon. Friend will recall that yesterday the private Bill of my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown)—the Associated British Ports (No. 2) Bill—failed to make progress because of the rather deplorable disruptive tactics in which the shadow Leader of the House, the hon. Member for Holborn and St. Pancras (Mr. Dobson), took part. My right hon. Friend will recall also that the shadow Leader of the House suggested that there was an urgent need to reform the private Bill procedure. Has the hon. Gentleman made any submission or given evidence to the Select Committee that is considering this matter?

Mr. Wakeham: I have many responsibilities in the House, but I am not responsible for what the hon. Member for Holborn and St. Pancras (Mr. Dobson) has to say. I am sure that any hon. Member who believes that the private Bill procedure is antiquated or in need of reform will take the advice of the Chairman of Ways and Means, who is responsible for these matters, and give evidence to the Select Committee, which is ably chaired by my hon. Friend the Member for New Forest (Mr. McNair-Wilson), and thus put forward their points of view.

Mr. Frank Cook (Stockton, North): May I refer the Leader of the House to early-day motion 1031 on the subject of the disregarding of the disabled employment quota and the scandalous way in which companies are ignoring the statutory requirement?

[That this House recalls that under the Disabled Persons Employment Acts of 1944 and 1958 it is unlawful for a major employer to engage a person who is not disabled if less than 3 per cent. of the workforce is made up of registered disabled people; notes that 32,922 employers qualify to meet this quota but that only 8,329 have satisfied these obligations; notes also that 18,577 exemption permits have been issued to allow avoidance of these statutes but that 18 per cent. of companies whom the Department of Employment consider should have applied for an exemption have not yet done so; notes further that since 1944 only five companies have been prosecuted for non-compliance with this statutory requirement, the largest fine imposed being £100; deplores the flagrant disregard for law displayed by management and the spineless abdication of responsibility on the part of the authorities; and calls upon Her Majesty's Government to take steps at the earliest date to introduce measures to rectify such wilful neglect.]

May I also draw to the right hon. Gentleman's attention, if he has not seen it already, the answer given to me by the hon. Member for Berwick-upon Tweed (Mr. Beith), representing the House of Commons Commission, which reveals that since 1979 the Commission has never managed to do better than drawing 1 per cent. of its employees from among the disabled? As we cannot get the hon. Member for Berwick-upon-Tweed to answer on behalf of the Commission, will the Leader of the House arrange for a statement so that the hon. Member for Berwick-upon-Tweed can answer questions about why the House is in dereliction of its statutory duty?

Mr. Wakeham: If the hon. Gentleman is having difficulty in obtaining answers to questions that are in order from the hon. Member for Berwick-upon-Tweed (Mr. Beith), I shall do what I can to facilitate answers to him.

With regard to early-day motion 1031, the quota is within the scope of the internal review of services for the disabled announced in March by my right hon. Friend the Secretary of State for Employment and which he has put in hand. I cannot guarantee to find time for an early debate on this matter.

Mr. Michael Brown (Brigg and Cleethorpes): May I ask my right hon. Friend a question that relates to last night's adjourned business? Will it not become clear that, if we are to make progress on the Associated British Ports (No. 2) Bill and on the North Killingholme Cargo Terminal Bill, the only way in which it could possibly be done so that the House may have the opportunity to take a decision on these Bills is if additional time is given and, perhaps, if a suspension of the ten o'clock rule is contemplated by those who have power in these matters?

Mr. Wakeham: As the Chairman of Ways and Means made clear yesterday, he is responsible for setting down private business. Standing Order No. 16 provides that business set down by the Chairman of Ways and Means "shall be distributed as nearly as may be proportionately" between Government time and Opposition time. To date, six Bills have been taken in Government time and only two in Opposition time.

My hon. Friend's request to suspend the ten o'clock rule should be a request to me from the Chairman of Ways and Means, but I am sure that I would sympathetically consider any request made by him.

Mr. Eric S. Heffer (Liverpool, Walton): I have asked the right hon. Gentleman about this before, but, in view of the Prime Minister's statement this afternoon about the housing being built in yuppie land in London, will the right hon. Gentleman give time for a debate on safety in the construction industry? Is he aware that last year 152 workers in the construction industry lost their lives and 2,300 were seriously injured? Now, in London, we are faced with another extension of self-employment in the

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construction industry. Is it not time that we had a proper debate on the important issue of health and safety in that industry?

Mr. Wakeham: I am not as expert as the hon. Gentleman on the construction industry. I agree that it has not had the best record on safety over the years, but I should have thought that the record shows that it has been improving in recent years. However, I shall refer what the hon. Gentleman said to my right hon. Friend, and, although I cannot promise him anything, I recognise that this is an important matter, and I shall see what we can do.

Sir Ian Lloyd (Havant): My right hon. Friend will be aware that within the past couple of days Members on both sides of the House have received the latest issue of *The Parliamentarian*, the journal of the Commonwealth Parliamentary Association, which contains a fascinating pair of articles on the development of information technology, first in the Canadian Parliament, and, secondly, in the Australian Parliament. In the Canadian Parliament it is now possible for a Member of that House not only to see what is going on in the Chamber but, if he wishes, to see what is going on simultaneously in any provincial legislature and in either House of the United States Congress. Does not that illustrate that we are rapidly falling behind in these matters? Will he bring back that central issue from the rather moribund Committee, where such matters now rest, to the Floor of the House so that we can discuss it and decide what should be done?

Mr. Wakeham: I am grateful to my hon. Friend for giving me notice that he would raise this subject. I have obtained a copy of the article to which he has referred, but I have not yet had an opportunity to read it. I know of my hon. Friend's considerable interest in this matter. He will know that computerised facilities in the Library have recently been considerably expanded, but information technology for hon. Members' own use must be a matter for individual hon. Members. I shall read the article, consider what it says and perhaps have a discusssion with my hon. Friend.

Mr. William Ross (Londonderry, East): Has the Leader of the House seen the large number of Government amendments to the Firearms (Amendment) Bill? Is he aware that they amount to a rewriting of large parts of the Bill. Has he taken particular notice of the fact that, on Report, large slabs of the Bill are now to be extended to Northern Ireland, which means that those parts of the Bill will now be discussed in a new light because of the different approach to firearms in Northern Ireland? Surely, in the light of that, putting the Bill on at 7 o'clock on a Monday evening will not provide sufficient time. Will he make further time available?

Mr. Wakeham: I have listened to the hon. Gentleman. My advice is that putting it down for that time was for the general convenience of the House. We shall have to see how we get on.

Mr. James Kilfedder (North Down): The Secretary of State for Northern Ireland's arrogant refusal to make a statement to the House about the Anglo-Eire Conference is a denial of the democratic and parliamentary process. The Secretary of State seems to be prepared to brief the press on and off the record, but he is not prepared to brief hon. Members. Is it not time for time to be provided for a debate on the progress of the Anglo-Eire Conference so that people in Northern Ireland, through their representatives, can make their comments on it?

Mr. Wakeham: I do not accept for a minute my hon. Friend's comments about my right hon. Friend the Secretary of State. As I said last week, notwithstanding the terms of the motion that some hon. Members have put down, a full statement on the subjects discussed at the conference has been placed in the Library. As is usually the case in international discussions, the proceedings of that conference must remain confidential. However, my right hon. Friend and his Ministers are ready to talk with hon. Members about the issues raised and I recommend that my hon. Friend has a talk with my right hon. Friend about that. I cannot promise an early debate, but we shall obviously have to bear the matter in mind.

Mr. Charles Kennedy (Ross, Cromarty and Skye): Will the Leader of the House try to arrange for the Secretary of State for the Environment to make a statement before the close of play in the Nirex consultative process on its document "The Way Forward" on the disposal of nuclear waste, particularly since there is growing evidence throughout the country that Nirex's failure to consult on the option of on-site disposal of nuclear material at existing nuclear installations is a source of concern, not least in my constituency, which today has announced a mini-referendum result of a 96 per cent. rejection on a 76 per cent. turnout of those balloted by the Electoral Reform Society?

Mr. Wakeham: The hon. Gentleman does not have to tell me about the controversy that some of the proposals engender, but I am not sure whether a statement in the middle of the consultation process is the best way forward. I shall have a word with my right hon. Friend to see whether he has any proposals to make.

Miss Ann Widdecombe (Maidstone): May I ask my right hon. Friend about his answer to my right hon. Friend the Member for Castle Point (Sir B. Braine)? If the Government are not prepared to find extra time for the Abortion (Amendment) Bill, and if they are not prepared to allow compensatory time which would at least get us through the series of votes to be taken and the Third Reading, have the Government any intention of bringing forward proposals of their own on this subject, or is my right hon. Friend saying to the country and to the House —I want to be clear about this—that, despite 109 hon. Members already having signed the motion asking for extra time on the first day that it was down, despite the majority on Second Reading, and despite the widespread anxiety in the country over this matter, the Government and my right hon. Friend are giving this issue no priority?

Mr. Wakeham: I am sure that, if my hon. Friend thinks about it in a wider context than the Abortion (Amendment) Bill—about which I know she is very concerned—she will recognise that the Government's position on not giving additional time for private Members' Bills is based on very careful and detailed thought, and should not lightly be put aside. I have said that there will be a further chance tomorrow for the House to reach a decision, and I think that that is the best way to proceed today.

Ms. Joan Walley (Stoke-on-Trent, North): Will the Leader of the House reconsider the reply that he gave to my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson), and give some thought to ways in which the removal of Crown immunity can apply to the Palace of Westminster? Some 10,000 meals are served here every day. This is a place of work for many hundreds of people. No criticism is implied of the staff of the Refreshment Department, but I believe that this place should have the same legislative protection as public premises and food premises elsewhere. There is no substitute for proper inspections, monitoring and enforcement of legislation.

Mr. Wakeham: I believe that the staff and officers of the House conduct their duties to the highest standards, and they certainly have my full support. I would not accept any implied criticism, and I know that the hon. Lady did not intend such a criticism. I cannot give an answer immediately on whether legislation should be introduced. The hon. Lady has asked for a request to be made, and I will consider the matter, but I do not promise anything much.

Mr. Ivor Stanbrook (Orpington): Is it the case that under the present Government no national controversial question can be settled by the private Members' Bill procedure, because the Government will in no circumstances allow Back Benchers to decide such matters, except when consenting to provide extra time? Is my right hon. Friend aware that the Government's predecessors never shirked their responsibility in this way? Have not the Government a moral duty at least to allow further discussion of the Abortion (Amendment) Bill so that this great question may be decided?

Mr. Wakeham: I hear and take note of what my hon. Friend has said, but I do not think that I can add anything more. It is not this Government's practice to provide additional time, but the House will have an opportunity on Friday to come to a conclusion on the matter if it wishes.

Mr. Frank Haynes (Ashfield): Is my right hon. Friend aware—*[Laughter.]* What is wrong with that? He has been a friend for a long while. Hon. Members should keep quiet. Is he aware that we had a marvellous debate last night on the Associated British Ports (No. 2) Bill? The Government appeared to be supporting the Bill last night, and had a payroll vote ready in case it was needed. Bearing in mind what the Leader of the House said about the Abortion (Amendment) Bill, will the Government find time for this Bill to be further considered?

Mr. Wakeham: I do not know from where the hon. Gentleman obtains his information. He is usually very well informed, but I am not sure that he is as well informed on this issue as he is on confectionery and other matters that may be more in his line.

As I said, time for private Bills is a matter for the Chairman of Ways and Means and the Standing Orders of the House, and I have no doubt that those responsible will conduct their duties properly.

Mr. John Marshall (Hendon, South): In view of the problems in monopoly and merger policy caused by the fact that the Director General of Fair Trading has said that he may be unable to give a verdict on the bids for Rowntree for another fortnight, would my right hon. Friend be willing to have an early debate on the matter? Does he agree that the undertainty generated by that delay is unfortunate for the management and employees of Rowntree?

Mr. Wakeham: I accept that delay and uncertainty should not be perpetuated longer than is necessary. However, as my right hon. Friend the Prime Minister has said, we must also stick rigidly to the law, and I do not believe that a debate at this stage would be helpful.

Mr. Bob Cryer (Bradford, South): Will the Leader of the House make a statement on the introduction of legislation to ensure that when people cross the floor, either in this place or in local councils, from one party to another they seek to maintain their mandate by going to the electorate again? This is a matter of political integrity. That would prevent political cheating when people who have been elected on one set of values in a manifesto then tear up that manifesto, kick the electorate in the teeth and cross the floor. Is it not reasonable for the electorate to expect legislation to require people to seek re-election when they do not have the guts to do it themselves?

Mr. Wakeham: It sounds to me as if the hon. Gentleman is trying to plug some holes in a sinking ship. I do not have any plans for such legislation.

Mr. Greg Knight (Derby, North): Further to the point raised by the hon. Member for Ashfield (Mr. Haynes), and in view of the large amount of time-wasting by Labour Members yesterday, including the raising of a large number of dubious points of order, does my right hon. Friend agree that, when the debate is resumed on the private Bill introduced by my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown), there is a good case for allowing it to take place in Opposition time?

Mr. Wakeham: Standing Order No. 16 makes it clear how time should be apportioned between the Government and the Opposition. I have already said that, to date, six private Bills have been taken in Government time and only two in Opposition time. However, the questions that my hon. Friend has raised are for the Chairman of Ways and Means, and not for me.

Mr. D. N. Campbell-Savours (Workington): In light of the public concern that is now being expressed in Kent about reductions in public services, in education and in expenditure in parts of the hospital service in every part of Kent, will the Leader of the House give hon. Members, especially Labour Members, time to debate these matters? Our mail bags are increasingly being filled with correspondence from people who are angry about the Government's activities in Kent.

Mr. Wakeham: I thought that the hon. Gentleman was a Member for another beautiful part of the country, but perhaps he is not as welcome there as he was. I entirely reject what he has said about Kent. I know Kent very well, and a number of my hon. Friends who represent Kent constituencies recognise the many great achievements of the Government for the benefit of the people of that area.

Mr. Julian Brazier (Canterbury): I draw my right hon. Friend's attention to motion no. 14 on the Order Paper, which is in his name. If motion no. 14 had been debated and carried prior to last Friday, the sad events of that day would not have taken place because it would have prevented time wasting on petitions. I believe that it would

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be a good thing for the standing of the House in the country if that motion were debated at the earliest opportunity to prevent Friday's sad events from happening again.

Mr. Wakeham: I agree with my hon. Friend. The motion reflects the views of the all-party Procedure Committee. I believe that the motion is generally acceptable as being the way forward. As I have said on many occasions, I deprecate the use of petitions as a means of filibustering.

Mr. Harold McCusker (Upper Bann): Will the Leader of the House reflect on the statement that he made last week—he repeated it today—that it would not be right for the Secretary of State for Northern Ireland to come to the House to make a statement following meetings of the Anglo-Irish Conference? What is not right about the Secretary of State for Northern Ireland doing what Prime Ministers and Foreign Secretaries have done regularly in this House since I became a Member? Is the right hon. Gentleman suggesting that, instead of the House being given an opportunity to probe the Secretary of State for Northern Ireland about his relationship with the Government of the Irish Republic, Members representing Northern Ireland will, if they crawl to Stormont Castle, be given their own private briefing? Is that what passes for British parliamentary democracy today?

Mr. Wakeham: I believe that the hon. Gentleman is trying to turn the particular into the general. I was talking about the particular position as it was last week. Of course, my right hon. Friend the Secretary of State for Northern Ireland makes statements in this House and he will continue to do so. The basis for making Government statements is that the Government believe it is right that they should be made. I can only repeat what I have said before. My right hon. Friend is always ready to talk to hon. Members if they believe that that would be helpful.

Rev. William McCrea (Mid-Ulster): Will the right hon. Gentleman reflect on the answer that he has given to my hon. Friend the Member for Upper Bann (Mr. McCusker), bearing in mind that hon. Members from another party—the Social and Democratic Labour party—can run off to Dublin to see the Prime Minister of that country? He can tell them the full details of the matters that were raised and take them totally into his confidence. Yet the Members of this House who are Unionists cannot be trusted with the information, which I believe all hon. Members should be given. Will the right hon. Gentleman reflect upon his answer and give the House the courtesy that it deserves?

Mr. Wakeham: The duties of the Leader of the House do not extend as far as discussions that go on in Dublin. I will reflect upon what the hon. Gentleman has said if he undertakes to reflect upon what I have said: if he wishes to talk about such matters my right hon. Friend is ready and willing to see him.

Mr. Eddie McGrady (South Down): Has the Leader of the House had time to read recent authoritative press statements about the fact that 10 major nuclear power stations are defective in construction and are unsafe? Is he aware of the grave public concern that that has caused? Is it the Government's intention to make a statement about those power stations, and are they prepared to give the House time to debate this serious matter?

Mr. Wakeham: I assure the hon. Gentleman that my right hon. Friend the Secretary of State for Energy makes safety the highest priority in nuclear matters. If he thought that there was any cause for alarm or need to make a statement to the House, he would be the first to do so. I do not believe that there is any such necessity, but I shall certainly refer the hon. Gentleman's concern to my right hon. Friend.

Mr. Ian Bruce (Dorset, South): Will my right hon. Friend give time for a debate on our former prisoners of war in the far east? There has been a lobby on that matter today and when I took a small party to the Japanese embassy I was enormously surprised to discover the public concern that still exists because these people have not been properly looked after and compensated. May we have time for a debate on this subject?

Mr. Wakeham: I recognise that there is concern about this matter. I cannot promise an early debate, but I shall refer the matter to my right hon. Friend the Secretary of State for Defence.

Mr. Ken Eastham (Manchester, Blackley): I wish to raise with the Leader of the House a subject which has been discussed on a number of occasions, the Economic League. Is the right hon. Gentleman aware that obvious blocking tactics are being employed in the Employment Select Committee to prohibit a proper investigation of that private espionage organisation, which has affected the livelihood of thousands of people? Is there some kind of cover-up, or does the Leader of the House intend to do something to bring about an end to this scandal?

Mr. Wakeham: The hon. Gentleman refers me to what is going on in the Employment Select Committee. What he said sounded to me as a slightly partial account of matters. I do not have responsibility for taking the Chair of the Employment Select Committee. It is not a matter for me.

Mrs. Teresa Gorman (Billericay): When my right hon. Friend considers the request from the right hon. Member for Manchester, Wythenshawe (Mr. Morris) concerning the New Zealand dairy industry, will he also bear in mind the plight of the New Zealand apple industry? It has several shiploads of extremely good New Zealand apples on the sea and they are likely to be banned from landing because of the new quotas that are being slapped on by the European Community. That is happening at a time when there is a growing shortage of good apples. If the ban operates, we will be eating pappy, rotten, Golden Delicious apples instead of good New Zealand apples.

Mr. Wakeham: I agree with my hon. Friend about the quality of New Zealand apples. I do not think that I can arrange a debate on the subject next week, but I shall certainly refer the matter to my right hon. Friend the Minister of Agriculture, Fisheries and Food.

Mr. Gerald Bermingham (St. Helens, South): Will the Leader of the House persuade his right hon. Friend the Secretary of State for Transport to make a statement to the House on the problem of cones and bollards on the M6 and the M1? The right hon. Gentleman may not be aware that the number of contraflow systems on those two roads

is increasing, and there are dangers from service stations, with vehicles pouring into two-lane contraflow systems. A considerable number of people are killed on the roads during the summer. It is a matter of great importance for those of us who represent constituencies in the north-west.

Mr. Wakeham: I recognise that when unfortunately one gets into a traffic jam one tends to take a partial view of these matters, but I would have thought that the increase in expenditure on roads, and particularly on motorways, in this country was one of the Government's great achievements. I will refer the matter to my right hon. Friend.

Mr. Spencer Batiste (Elmet): My right hon. Friend may recall that some weeks ago he made some sympathetic comments about the need for a debate on air traffic. Since then public concern about the number of air misses has increased and anxiety has been expressed over the difficulties of American airlines in running scheduled services to Manchester. There is a report under consideration about the extension of time for Leeds-Bradford airport. These are very important national and regional issues. When may we expect his expressions of sympathy to be translated into a debate?

Mr. Wakeham: The expressions of sympathy still apply, but I cannot foresee an early debate. However, it is important that all those factors are discussed when the opportunity presents itself, particularly as the substantial increase in air traffic and the far less substantial increase in risk is not fully appreciated by many people in this country.

Mr. Peter L. Pike (Burnley): The Leader of the House will recall that before the general election last year the Environment Select Committee published a report on river and estuary pollution. As yet the Government have not published a response to that report, although it is way beyond the time limit allowed. Will he urge the Secretary of State to ensure that the report is published as soon as possible? Recognising the serious implications of the privatisation of water, if the Government press ahead with that legislation, will he seriously consider providing time for that report and the Government's response to it to be debated?

Mr. Wakeham: The hon. Gentleman is right in recognising that these are very important, serious matters and need properly to be considered. I am sorry if the Government's response has been delayed. I will refer the matter to my right hon. Friend the Secretary of State and see what can be done.

Mr. Nicholas Bennett (Pembroke): Returning to early-day motion 1086 about the circumstances concerning the Abortion (Amendment) Bill last week, will my right hon. Friend bear in mind the point made by my hon. Friend the Member for Canterbury (Mr. Brazier) about the procedure of the House? Will he arrange for the Procedure Committee's motion to be brought before the House as soon as possible so that consideration may be given to the ways in which the procedure of the House can be changed to prevent a repetition of the time-wasting, filibustering disruption of the Bill last week so that we can come to a decision on this important matter?

Mr. Wakeham: My hon. Friend has noticed that the motion to re-establish the Select Committee on Procedure is on the Order Paper. I hope that it will be agreed within the next few days so that the Committee can start work.

Rev. Martin Smyth (Belfast, South): Will the Leader of the House accept that my colleagues on this Bench would like to vote on the Abortion (Amendment) Bill and decide once and for all where we stand?

I have raised before the question of having a debate in the House on the role of the media in reporting terrorist incidents, and, more importantly, in providing a platform for exponents of terror. Can the right hon. Gentleman find time for us to debate that matter in the near future?

Since apparently it is not possible for the Secretary of State for Northern Ireland to make a statement on the recent Anglo-Eire Conference meeting, is it possible for a debate on Northern Ireland to be arranged in the comparatively near future? If that cannot be done through the usual channels, perhaps the unusual channels will bring more success. Perhaps we could debate the novel doctrine that is now being propounded of the immutability of international agreements lodged at the United Nations, especially in light of the recent one between New Zealand and France.

Mr. Wakeham: If we had such a debate, it seems that the hon. Gentleman would have plenty to say. I take his point. I cannot promise him an early debate, but I shall certainly bear in mind what he has said.

Mr. Robert G. Hughes (Harrow, West): My right hon. Friend will be aware that on Bank Holiday Monday a lump of aircraft fell in a garden in my constituency, a matter that is being investigated by the Department of Transport and the Civil Aviation Authority thoroughly and, so far, to the satisfaction of my constituents. Is he aware that the response from the airline, Iceland Air, is entirely a matter for that airline under the Civil Aviation Act 1980 and that its response so far can be described only as mean-minded, ungenerous and, frankly, uncaring? Will my right hon. Friend arrange a debate on whether the airlines should have greater responsibility for what happens to gardens and the areas over which they fly?

Mr. Wakeham: Since my hon. Friend has been a Member of the House he has shown himself to be a very adept user of the procedures of the House. May I suggest that what he has said may be an appropriate subject for an Adjournment debate?

Mr. Dennis Skinner (Bolsover): The Leader of the House has received a number of complaints from hon. Members about the Government giving more time for the Abortion (Amendment) Bill. Does he agree with me that in the time that we have been Members of the House many controversial Back-Bench Members' Bills have been introduced, and most of them have suffered the same fate? Bills about hare coursing and fox hunting and industrial relations Bills introduced by Opposition Members between 1976 and 1979 were defeated on the simple basis that if there is too much controversy about them it does not take too many people to stop them. I remember the Father of the House, the right hon. Member for Castle Point (Sir B. Braine), speaking for three hours to stop a Bill. This happens on both sides of the House.

I think that it should be clearly understood that if last Friday the hon. Member for Liverpool, Mossley Hill (Mr.

[Mr. Dennis Skinner]

Alton) had been smart enough, as we suggested in the Lobby when we spoke about the matter, and voted in the opposite manner from the way he did, he might have had a forlorn hope of carrying it further, but he went into the wrong Lobby.

Mr. Wakeham: It is well worth the time of anybody seeking to understand properly the procedures of the House to have a private word with the hon. Member for Bolsover (Mr. Skinner). He has a better knowledge of the proceedings of the House than he has about a great many other things outside the House on which he expresses strong views from time to time.

Mr. Alan Meale (Mansfield): Is the Leader of the House aware that yet again hon. Members have had to put up with ministerial statements about the privatisation of public assets being made outside the House before they are discussed by the House, notably on the privatisation of the coal industry? Bearing in mind that most hon. Members do not agree with such action, will he find time very soon to debate coal mining subsidence, especially since the Select Committee report, the Government's response to that report and the consultation about the Government's response is imminent? It is vital that the issue is discussed in this Chamber.

Mr. Wakeham: My hon. Friend the Under-Secretary of State for Energy, who spoke about the possible privatisation of the coal industry, was not in any sense making a specific announcement about it. It is no secret that the Government believe that in the long term that would be a sensible, profitable and efficient way forward for those in the industry, but we recognise that privatisation would be technically and administratively a very complex and lengthy process and it could not happen in this Parliament. From time to time we find time for debates on the coal industry, but I cannot promise a debate in the near future.

Mr. Alex Salmond (Banff and Buchan): Has the Leader of the House had time to examine early-day motion 1088 concerning the new political situation in Scotland since the district election results last week?

[That this House notes the results of the Scottish district elections, and in particular the performance of the Scottish National Party; notes that the Scottish National Party is now the second party in Scotland, having won 21·2 per cent. of the vote, compared with the Tories' 19·1 per cent.; notes that both Conservative and Labour parties suffered a fall in support despite both having increased their total number of candidates; notes that more Scots expressed ballot box support for a mass campaign of non-payment to resist the poll tax than voted to support the measure itself; further notes that the latest MORI opinion poll indicates levels of support for full Scottish independence running at a record high 35 per cent. among voters; and calls on Her Majesty's Government to provide Parliamentary time so that the new political situation and the Government's lack of legitimacy in Scotland can properly be discussed by honourable Members.]

Given that the Conservative party is the third party in Scotland in terms of popular support, and is behind the Labour party and the Scottish National party, is it not time for a debate on the legitimacy of the Government's position and the imposition on the Scottish people of extremist policies which are so clearly rejected and unwanted?

Mr. Wakeham: I have to say to the hon. Gentleman, even if he knows it already, that 69 out of the 72 Scottish Members at Westminster were elected last June to represent the Scottish people as Unionists in the United Kingdom Parliament. There is no new political situation in Scotland. The Scottish National party had a record number of candidates, but it failed dismally to replace the Scottish Conservative party as the second force in Scottish politics. The SNP's policy of independence has consistently been rejected by the Scottish people.

Mr. Matthew Taylor (Truro): The Leader of the House will have probably seen the CEGB's announcement that it is going forward with plans for two new pressurised water reactor nuclear power stations. That is a matter of considerable concern to the House not only in terms of safety and viability but also because it pre-empts the decision of the House on the privatisation of the industry and the Government's intention to increase the input of independent suppliers and generators of electricity. Will he seek to make time available for the House to debate these moves by the CEGB?

Mr. Wakeham: Those are important matters and we shall no doubt debate them in one form or another. However, I should like to consider what is the best way forward, and I cannot promise an early debate.

Mr. Tam Dalyell (Linlithgow): May we have a statement next week on who has ministerial or Cabinet responsibility for scolding, lecturing, hectoring and pontificating against the broadcasters—the BBC, the Independent Television Authority, Lord Thomson of Monifieth and the press? Is it the Home Secretary, who has preserved a discreet and genteel silence, is it the Foreign Secretary, or is it Mr. Ingham? May we have a statement on the precise role of Mr. Ingham? In particular, may we have an answer to the question whether his well-publicised statement last week about press hysteria was made on the authority of the Prime Minister? Was it done with her authority, or did he do it on his tod?

Mr. Wakeham: If there were any Minister with ministerial responsibility for scolding, I think that he would be tempted to scold rather nearer home than the media further away. When my right hon. Friends speak to the broadcasting authorities, they speak to them in a calm and responsible way. They put forward what they believe to be appropriate matters that should be considered. I do not recognise the language that the hon. Gentleman uses.

Dairy Crest Creamery, Llangefni

4.22 pm

Mr. Ieuan Wyn Jones (Ynys Môn): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the imminent loss of 200 jobs in the dairy industry in Wales, in the light of yesterday's decision on the implementation of the recent agreement between the Milk Marketing Board and the Dairy Trade Federation."

The matter is specific, in that it relates to the problems that have arisen over the sale of the Dairy Crest Creamery in Llangefni in my constituency. In January, Dairy Crest announced that the creamery would close on 31 March, with the loss of 46 jobs. The site has been marketed by the Welsh Development Agency on the basis that any buyer could use the site to make any products, with the exception of butter and powdered milk.

On 28 April it seemed that the deal could go through, thus saving a substantial number of jobs in my constituency, yet within 24 hours the deal was put on ice because the Dairy Trade Federation, which entered into an agreement on rationalisation with the Milk Marketing Board and which owns Dairy Crest, objected to Dairy Crest being paid compensation if it sold the site to anybody who wished to use the milk.

It is an important matter because it has critical implications for the dairy industry, in that somebody who is prepared to purchase the site is apparently being blocked, due to the industry's big boys falling out. As not only jobs but the control of the dairy sector and the distribution of milk are at stake, the House should be given an opportunity to debate it.

It is an urgent matter, because yesterday talks between the parties—the Milk Marketing Board and the Dairy Trade Federation—broke down, and unless there is an early resumption of talks aimed at a resolution of the dispute, jobs in my constituency could be in jeopardy.

Mr. Speaker: The hon. Member for Ynys Môn (Mr. Jones) seeks leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the imminent loss of 200 jobs in the dairy industry in Wales, in the light of yesterday's decision on the implementation of the recent agreement between the Milk Marketing Board and the Dairy Trade Federation."

I have listened with concern to what the hon. Member has said, but I regret that I do not consider that the matter he has raised is appropriate for discussion under Standing Order No. 20. I cannot therefore submit his application to the House. I hope that he will find other ways of raising it.

Firearms (Amendment) Bill

4.24 pm

Mr. William Ross (Londonderry, East): On a point of order, Mr. Speaker. You will have gathered from my questions to the Leader of the House that I am worried about the extension to Northern Ireland of certain clauses of the Firearms (Amendment) Bill. I seek your guidance on the procedure that may be used.

You will remember that in Committee these particular clauses and subsections were closely scrutinised, but only in the context of Great Britain. They are now to be extended to Northern Ireland. If that had happened initially, there would have been detailed discussions of the implications for Northern Ireland and Northern Ireland's firearms owners and dealers.

As the context of the legislation has been changed, would it be in order to table and to have selected the amendments that were selected and discussed in Committee so that the effect of this extension of the legislation to Northern Ireland can be fully considered?

Mr. Speaker: Before I could make a judgment, I should need to see the amendments. If the hon. Gentleman cares to submit his amendments, they will be considered in the usual way, with all the others. However, I note what he has said about the matter.

BILL PRESENTED

PALACE OF WESTMINSTER (REMOVAL OF CROWN IMMUNITY)

Ms. Joan Walley, supported by Mr. Frank Dobson, Mr. Allan Roberts, Mr. Donald Anderson, Ms. Joan Ruddock, Mr. Paul Flynn, Mr. Alistair Darling, Dr. John Marek, Mr. Calum Macdonald, Mr. Andrew Smith, Ms. Jo Richardson and Mr. Chris Smith, presented a Bill to remove Crown immunity from the Palace of Westminster in relation to the Health and Safety at Work &c. Act 1974, the Food Act 1984 and other enactments relating to public health and safety, and regulations made thereunder; and to make the Palace liable to inspection by the relevant enforcing authorities: And the same was read the First time; and ordered to be read a Second time upon Friday 8 July, and to be printed. [Bill 164.]

STATUTORY INSTRUMENTS, &c

Ordered,

That the draft Housing Defects (Reinstatement Grant) (Amendment of Conditions for Assistance) (Scotland) Order 1988 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Lightbown.]*

Prisons

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lightbown.]*

4.26 pm

The Secretary of State for the Home Department (Mr. Douglas Hurd): Last night just over 50,000 people were held in prisons or as prisoners in police cells in England and Wales. The prison system is designed to hold around 44,200. The result is that parts of the prison system are miserably and dangerously overcrowded. That is the heart of a problem as serious as any that confronts the Government on the domestic scene. So it is entirely right that Parliament should debate the problem and the Government's response.

Prisons are a world of which most people still prefer to know little. But silence and ignorance about prisons have in the past led to neglect. I have come to the conclusion that I would rather face criticism of the state of the prisons than silence. That is one reason why I decided last year to make possible the publication of individual reports of boards of visitors, such as the report on Wandsworth last month. Out of informed debate will come understanding of all that the prison service and the Government are doing to remedy the situation, and pressure to do more. If there had been proper debate in the mid-1970s, when crime was rising fast and the prisons filling, perhaps the right hon. Member for Morley and Leeds, South (Mr. Rees) and his predecessor would not have had to cut the prison building programme in the way that they did. I welcome the opportunity to set out briefly what we are doing first to restrain the growth of the prison population in ways that have to be reconciled with the independence of magistrates and judges and, second, to increase and speed up the provision of prison places.

Let me first deal with one distortion that sometimes creeps in. The problem is not unique to the United Kingdom. Figures are not strictly comparable, but the most recent information shows that the prison population per 100,000 inhabitants in the United Kingdom, at 96, was the fourth highest among Council of Europe states; for seven of these member states, including France and Germany, the rate was over 80 per 100,000 inhabitants. I believe that our imprisonment rate is lower than that of Canada and well below that of the United States, which had a prison population of about 300 per 100,000 inhabitants in 1985, compared with our 96. Our prison population has been growing much more slowly in the past four years than that of France, Holland, Ireland or Portugal. We have plenty of problems, but I hope that we shall hear no more of the notion that our prison system is in some way uniquely severe or barbarous; it is not.

Mr. Robert Maclennan (Caithness and Sutherland): The right hon. Gentleman said that his objective is to restrain the growth of inmate numbers in prison. Is he aware that many who know a great deal about the prison system believe not simply that the rate of growth should be restrained but that the prison population should be reduced? Is that not even the medium-term target of the Government?

Mr. Hurd: If the hon. Gentleman catches your eye, Mr. Speaker, I shall be fascinated to hear how he intends to do that in a way that can be reconciled with the independence of magistrates and judges. I am sure that he favours that independence. He might be able to explain to the House how he would propose to reconcile the two. I hope to cover the point in greater substance later. Before that, I shall analyse briefly the composition of the 50,000 people in prison or police cells.

In round numbers, 11,000 have not been sentenced, and have been refused bail awaiting trial or sentence. That remand population has nearly doubled since 1980. Some 15,000 of the 50,000 have been sentenced for violent offences and the rest are in prison for non-violent offences. Of those, 9,000 are burglars and 7,000 are in prison for theft and related offences.

Before I come to the different categories, I shall underline a crucial principle, which bears on what the hon. Member for Caithness and Sutherland (Mr. Maclennan) has said. The Lord Chancellor, the Attorney-General and the Home Secretary preside in different ways over an amazingly decentralised criminal justice system, each component of which is proud and jealous of its independence. The Lord Chancellor does not direct the judges, the Attorney-General does not direct the lawyers and I do not direct the police. The public, even hon. Members, are often surprised at the limits in our powers.

I am not in favour of centralising those powers. I am strongly in favour of the different parts of the system getting to know the other parts better. Magistrates and judges, for example, ought to know better than they sometimes do what actually follows when a burglar is sent to prison in 1988. Probation officers ought to be able to read the minds of magistrates and understand why they sometimes reject advice against a prison sentence couched in the vocabulary of the social worker.

My colleagues and I are working hard to intensify these contacts and to show each of the professions in the criminal justice system that isolation is not a necessary condition of independence. We want to break down the isolation, but not undermine the independence. I believe that it would be wrong for me to seek to prevent the courts from sending to prison those for whom they believe, after considering all the alternatives, prison to be the right place.

Parliament has provided powers to authorise the early release of certain inmates, that is, those not convicted of serious offences of a violent nature or involving drugs. Parliament thought that those powers should be available. But we have always made it clear that they are for use in an emergency and not simply to keep the prison population below some arbitrary figure. Here I differ from the hon. Member for Caithness and Sutherland, as I do not believe that it is for the Home Secretary to say, "There are only 44,000 decent places in the prison system; therefore you, the judiciary, must not send more people to prison than that, however convinced you are that a prison sentence is necessary in a particular case for deterrence, punishment or the protection of the public."

However, I can hope to provide sentencers with more persuasive options outside prison. For the rest, we need to supply the prison places that the sentences of the court require. It is the courts, not the Government, who decide who should go to prison. We have to ensure as a Government, and indeed as a Parliament, that the courts have a range of penalties available to them so that they can give suitable sentences to the wide variety of offenders who come before them. But it is for the courts to weigh all the circumstances of each offence, to take account of aggravating and mitigating factors and then to fix the sentence.

Mr. Stuart Holland (Vauxhall): Does the Home Secretary agree that some of the alternatives could be bail hostels or drug and alcohol rehabilitation centres, which would give options to the courts for independent decisions? The right hon. Gentleman is aware that I am especially concerned about the conditions in Brixton prison. For example, there have been 27 deaths by suicide or misadventure in the remand prison since 1981. There is a special problem in F wing. Can the right hon. Gentleman assure me, further to his written answer to me of 13 April, that he will undertake a public inquiry into the conditions in F wing and the deaths that have occurred in the past two years?

Mr. Hurd: Suicides are a tragedy and a disaster wherever they occur, and particularly when they occur in prison. I am especially concerned about the position in Risley and Brixton prisons. Difficulties are greatest in those remand centres for reasons that the hon. Gentleman knows. Last year we introduced a new strategy for the prevention of suicide among inmates. The hon. Gentleman knows the details. It is fixed on the idea that more contact and care by staff, and the care that prisoners can take among themselves when a possibility of suicide has been identified, will make suicides less likely.

It is too early to be sure how this strategy is working. Last year was a very bad year for suicides in the prison system. So far this year there have been 10 apparent suicides, unfortunately including one yesterday, compared with 19 at this stage in 1987. It is too early to be sure how well the new strategy is working, but we certainly have to keep it under particular review, not so much prison by prison, although that comes into it, but in the general strategy.

Mr. Gerald Bermingham (St. Helens, South) *rose*——

Mr. Hurd: I want to get on. I shall give way to the hon. Gentleman later; I may well cover prison regimes again later and perhaps he could interrupt me then.

I turn to the 15,000 violent offenders in prison. I do not believe that there is scope for reducing the numbers of this category in prison until the number of violent offences begins to come down. Indeed, the increasing severity of sentences in respect of serious violence certainly reflects the revulsion which we all feel generally about such crimes, particularly when the victims are the elderly or children. Since 1980, the length of Crown court sentences for offences of violence committed by men over 21 has increased by 12 per cent. The increase for offences of robbery has been particularly marked at 21 per cent. Nine out of 10 men convicted of robbery in the Crown court are sent to prison. The Crown court is more likely than it was to send men convicted of sexual offences to prison and to keep them there longer. The average sentence for rape has increased by 30 per cent. in the past two years. In the Criminal Justice Bill we propose to give the Court of Appeal the power to increase sentences for serious offences when referred to them by the Attorney-General, on the ground that they appear waywardly lenient.

I would put drug trafficking in the same category of seriousness. We have increased the maximum penalties for drug trafficking and that has been reflected by longer sentences in the courts. One of the results has been a significant increase in the number of women in prison serving longer sentences for drug offences. Unfortunately, traffickers tend to pick out women and use them as their couriers because they hope that women are less likely to be detected. In the Government's view, there is a substantial category for which prison sentences,, and in some cases longer prison sentences are inevitable and necessary. For the 23,000 prisoners whose offences are not violent, the policy must be different. It is not self-evident that all these men and women should be in prison.

We need to build on the many excellent programmes that some probation services have already developed for supervising high-risk offenders based on the probation order. We are encouraging an expansion in the number of day centres in England and Wales. We have made available new money to approve four new projects in 1988-89. We have asked the probation service to put forward proposals for other new projects in later years. Probation committees have been told that priority will be given to approving those new projects which target young adults and offer strict, structured regimes, aimed at reducing reoffending. Such schemes make young adults face the consequences of their offending behaviour and aim to alter criminal attitudes. Some offenders may need closer supervision, especially at the start of the order.

I am also particularly keen to support the development of community service orders. That is one of the major achievements of the probation service. We have decided that the time has come to draw the reins a bit tighter. We want to bring practice in all parts of the country up to the standard of the best. That is why we circulated draft national standards for the operation of community service schemes. We want to ensure that community service is rigorous and demanding. The need for frequent and punctual reporting is part of the discipline imposed by the order. The work to be done should be useful and bring benefit to the community. There is no reparation if the work itself is pointless. Ideally, the public should be able to see the results of the work and, in the process, the offender's self-discipline and motivation should be improved.

Imagine the case of the young opportunist burglar whose burglary involves no violence. His offence is still serious. The court will always want to consider the nature of the offence, consider the victim, and look hard at the offender. If the court decides that he must go to prison, we should not make that impossible, and we must provide a prison place. It is true that while he is in prison he will not burgle the citizen, and that is a powerful argument in the minds of the police, the judiciary and the decent citizen. But if, by putting him in a cell at great expense for a few months, with one or two other burglars, we simply turn out a more skilful and enterprising burglar, the citizen may actually have struck a rather poor bargain—a worse bargain, perhaps, than if the man had been sentenced to a severe but useful punishment in the community. The courts should make that choice case by case, but with options before them that are much more persuasive than those that they have at the moment.

Then there are the 11,000—this is my final category —who are awaiting trial or sentence. That is too high a figure. No hon. Member would believe that that is a sensible figure. It is more than one in five of the total. I cannot advise magistrates on individual decisions on bail. We have looked at the Bail Act 1976, and we think that the balance in it is right. Magistrates know that we would wish to reduce the remand population and provide proper support to magistrates so that they are able to make the best possible decisions on bail. There is plenty of scope for

[Mr. Hurd]

better information through bail information schemes. I am also providing resources for about nine new bail hostels. We are considering whether some others could be privately managed. The Lord Chancellor is preparing improved training for magistrates on bail decisions. Yesterday, I issued to magistrates courts a circular bringing together the threads of these developments.

The continuing rise in the remand population has been caused in part by the increased time that individuals have spent in custody awaiting trial. That is why, under the Prosecution of Offences Act 1985, we took power to introduce statutory time limits in England and Wales. We first exercised that power in April last year and monitored the effects of the time limits and the first results have been encouraging.

On 1 April, I extended custody time limits to Greater Manchester, throughout Wales, to Cheshire, Cornwall, Devon, Dorset, Gloucestershire, Hampshire, the Isle of Wight, and Wiltshire, reduced the limit to committal in the west midlands from 98 to 84 days, and extended the operation of limits to Coventry and Dudley Crown court centres. We shall continue to phase in the time limits and hope that, by 1990, they will be in force throughout England and Wales. When we can actually move them downwards—tighten up the times—we shall do so. That should lead to a fall of up to 600 in the remand population.

I have dealt with the first objective, which is how to restrain the growth or, if we can, reduce the size of the prison population, while respecting the independence of magistrates and judges. I now refer to the other side of the policy, which is the provision of prison places. We have had to put in hand a major programme to bring that about, because, unlike our predecessors, we regard it as a duty that we must face. In the years since 1979, expenditure on the prison service has risen in real terms, after inflation, by 43 per cent. That compares with an increase of 11 per cent. between 1974 and 1979.

The figures are even more dramatic for expenditure on prison building, including the refurbishment of existing establishments. Under the Labour Government, there was a decrease of 35 per cent. in real terms in such expenditure. In contrast, since 1979, expenditure on prison building has risen by 117 per cent. in real terms. When one puts it into actual cash, one sees that the figures are getting large. This year, financial provision is £802 million. We plan to increase it to £937 million by 1990-91. That increase will enable us to carry through the biggest prison building programme this century, gradually to improve the conditions in which prisoners are held and to try to reduce the problem of severe overcrowding, which has existed in many of our prisons for many years.

Mr. Charles Irving (Cheltenham): I wonder whether the Home Secretary is satisfied that the rebuilding programme is in the right, competent, professional hands. On a recent visit, we saw for ourselves the appalling design of Holloway C wing. It is detrimental to those who work in the prison and to the inmates. It is scandalous. Only a few days ago, there was a report of a new prison being built for £30 million. Building faults have already appeared. The design will certainly not improve the quality of life of those who work in the prison or of those who must be there. Is there not something wrong with a system that can allow buildings of that kind to continue at vast public expense when, in some cases, they are worse than the buildings that have been replaced?

Mr. Hurd: My hon. Friend carries his argument too far. It is certainly true that, in the 1960s and, perhaps, early 1970s, prison design in this country went through a phase that everybody now regrets. There were attempts to build prisons in ways that proved to be unsuitable. We have learnt a lesson in two respects. The present designs, including the design of Full Sutton, are considerably better than they were. Full Sutton prison was designed four and a half years ago. One is continually learning. We cannot constantly interfere with the design of a prison while it is being built or we will never get it. I am coming to the ways in which we are improving designs and improving and accelerating the provision of prison places. I am satisfied that Full Sutton, which is the prison to which my hon. Friend was referring, is a wholly secure prison. When he visits it, as I hope that he will before long, he will be impressed by it. I hope that he will be even more impressed as the years pass and we open prisons that are designed even later.

I return to the point that I had reached. The programme will provide 26 new prisons by the mid-1990s. But that is not enough. We must also—this meets my hon. Friend's point—modernise and improve what we already have, much of which is in a bad way. The refurbishment and expansion of existing establishments will provide a further 8,000 places by 1995 and start to bring the prison estate up to 20th century standards. We shall be providing 22,000 new places by the mid-1990s, at a cost of about £1 billion. That is improvement of quality as well as of quantity.

We have to tackle the degrading practice of slopping out. By 1995, about 75 per cent. of prison places will have access to sanitation, compared with just 43 per cent. in 1979. The main obstacle to faster progress on sanitation, which is crucial, is the need to move all the prisoners from a wing to enable integral sanitation to be installed. There has to be somewhere to move the prisoners to, and that can cause disruption in the very establishments that suffer most from the growth in population. In response to that worry, we are beginning soon two pilot schemes, in Brixton and Wandsworth, to test the feasibility of a new way of installing sanitation that will not require the closure of wings and could be achieved separately from bigger refurbishment plans.

I do not believe that it is sensible to be content with financial figures, as if we were simply throwing money at the problem. We have to achieve greater efficiency in prison building. We have set up a design brief team to update and rationalise prison design. The Prisons Building Board, which has a private sector element, will supervise delivery of the programme. I am urgently considering how we can involve the private sector more closely in the prison system. The new Prisons Building Board includes three business men with strong practical experience. It has invited the private sector to make proposals for building remand or open facilities more quickly than in the past. We have already had over 30 responses. I intend before long to publish a Green Paper on private sector involvement in all aspects of the remand system, including possible management. We are engaging consultants to help in working out the practical implications.

Meanwhile, as the House knows from the exchanges that we had just before Easter, we have run seriously short of space. The continual growth of the prison population has put pressure on regimes in all parts of the system. I have mentioned the pressures on living accommodation and sanitary facilities, which lead to interruptions in education classes, workshops and other worthwhile activities.

The number committed to prison by the courts was rising at a rate equivalent to the population of an average-sized prison every few weeks during the earlier part of this year. As an unavoidable, but undesirable, overflow, more and more prisoners were being held in police cells. That number reached the very high figure of 1,575 early in March. Therefore, urgent short-term action was necessary to prevent a breakdown in the prisons and reduce the burden on the police. That is why I announced to the House the opening of two army camps in the south —at Rollestone on Salisbury plain, which my hon. Friend the Under-Secretary visited yesterday, and at Alma Dettingen, near Camberley—as temporary prisons, for a matter of months, to house about 700 prisoners.

I should like to pay a tribute to all those concerned for the enormous efforts made in converting these camps and bringing them into use very quickly indeed. Rollestone opened on 25 April and Alma Dettingen on 9 May. Partly as a result of that, but only partly, the number of prisoners in police cells has fallen, I am glad to say, from that peak of 1,575 to 957 yesterday. It is still far too high and I shall not be happy until the use of police cells for prisoners is regarded as something exceptional and temporary.

Mr. Robert Key (Salisbury): I am sorry that, unavoidably, I missed the first part of my right hon. Friend's speech. Could he comment on the fact that the Wiltshire county council's social services department and probation service have also been involved in the Rollestone camp and have played a very important part, particularly those seconded from Evlestoke open prison?

Mr. Hurd: One of the reasons why I decided that we should open Rollestone again was precisely the co-operation that we had on an earlier occasion from all the authorities in Wiltshire, and the generally good relations that were built up with my hon. Friend's constituents. I gladly thank, through him, all those who have been involved again.

It is not just a question of buildings and emergency arrangements such as I have described. A rising prison population needs not only more buildings but more staff, and we have increased the number of prison officers by 22 per cent. over a period when the number of inmates has increased by 15 per cent. So, contrary to the impression that one sometimes receives from some people, the ratio has been steadily improving.

I am very well aware of staffing difficulties in a number of prisons. Recruitment of prison officers is at its highest ever level. Last year we recruited 1,860 officers to deal with wastage and meet the needs of new work. This year we plan to recruit a further 1,360 over and above replacements needed for people who leave or retire. In addition, more will be needed to staff the new accommodation that I announced in my statement of 30 March. We are committed to providing the staff that the service needs and there will be a continuing demand for recruits to staff new accommodation.

But prison staffing is not just a matter of numbers. We have to make the best use of the staff available and ensure that they enjoy the right terms and conditions of service for their demanding work. That is why over the past year we have brought about a radical change in the way that the prison service is organised and run.

Fresh Start is our response to a service that was beset by an increasing workload and costs and hampered by inefficient and inflexible systems and structures. Those who were managing it were frustrated by the rigidities, waste and obstacles built into the system. Staff, highly committed though they are, were faced with long working hours and little job satisfaction. We are bringing about a huge change, comparable with any change in the public or private sector during this time. Fresh Start is what it says —a chance to start again—and the service is, with difficulty, getting to grips with this fact and seizing the opportunities that if offers to improve life for staff.

Mr. Bermingham: I hope that the right hon. Gentleman will accept my question in the spirit in which it is intended. In the calculation of staff required for the foreseeable future, did his Department take into account that, with the increasing detection rate by the police forces in the United Kingdom, there will be an increasing number of prisoners, because there will be more convictions in the courts?

Mr. Hurd: I am glad that the hon. Member agrees that the clear-up rate is improving. He is certainly right in that. As we try to plan the future under different possibilities and try to take into account the aspects that may change over the coming years, of course we take that fact into account.

I was dealing with Fresh Start——

Mr. Tim Devlin (Stockton, South): I am sorry to interrupt my right hon. Friend just before he finishes, but what he was saying goes back to what was said earlier about the buildings that we are using. One of the things that I had hoped for today was to hear that one day we might start pulling down some of the Victorian prisons or, if we cannot do that, at least installing some of the electronic door-keeping techniques, and so on, that are used in the United States so that we do not need to have vast numbers of prison officers in every establishment and can make the best use of the staff that is available.

Mr. Hurd: We have to make the best use of the staff that is available, but I think that my hon. Friend will acknowledge that contact between staff and inmates is an important part of running a successful prison. Lack of contact between staff and inmates is not a sensible way of averting suicides, for example. But I agree with my hon. Friend's general point. The sooner we pull down in some cases, but in more cases improve, the old prisons, the better we shall be pleased. My hon. Friend is setting a very good example by encouraging me to find a place for a prison in his constituency. I hope that other hon. Members, as they see the advantages of having a modern prison, with the prosperity that surrounds it, as I saw at Full Sutton, will follow my hon. Friend's useful example.

Mr. John Browne (Winchester): Will my right hon. Friend accept that one important aspect of the morale of prison officers is that they should be allowed the same right to buy their homes as other people have? In my constituency there has been inordinate delay in allowing

[Mr. John Browne]

prison officers to exercise their right to buy their quarters. Will my right hon. Friend look into the matter personally to ensure that prison officers' rights are maintained?

Mr. Hurd: I shall look into the position. My hon. Friend the Under-Secretary may be able to say something about that matter when he replies to the debate.

One of the main purposes of Fresh Start is to provide a firm basis for the regime of the prisoner. The greater flexibility provided by group working under Fresh Start, coupled with clear definition and distribution of activities, offers more certainty. For example, once Fresh Start systems are working effectively, there should be far fewer occasions when work in the workshops or classes is disrupted because there is a trial on and prison officers have to do escort duty.

Mr. William Cash (Stafford): My right hon. Friend may be interested to know that I was in Stafford prison only three days ago and I had consultations about Fresh Start. He may be glad to hear that it has gone down extremely well there, despite the fact that it is an old prison. Although the abattoir site needs to be refurbished, we will be glad to have an improvement in Stafford over the next few years.

Mr. Hurd: I am grateful to my hon. Friend. It is always encouraging to receive confirmation of the advice that I get from my own advisers.

I am beginning—and I do not put it higher than that—to hear about examples from across the country of how time spent on education in the prison service has increased by 6 per cent. during the day and by 7 per cent. in the evening. There has been evening association for prisoners at Manchester for the first time in years. More time is being spent on visits at Leeds. To confirm what my hon. Friend the Member for Stafford (Mr. Cash) said, industrial workshop time at Stafford is up by at least 20 per cent. However, there are many places where the improvement in regimes has not yet occurred. Because the news in the media is almost always gloomy on this point, I have picked out the cases where Fresh Start is beginning to produce one of its main objectives, which is an improvement in the regime as a prison is better run.

As every hon. Member who speaks in the debate will probably illustrate, the prison service faces demands on an unprecedented scale. Although we have arguments with the Prison Officers Association, I pay tribute to the way in which the staff of the service are, on the whole, responding to the challenge. The Government have a commitment, and we have asked Parliament for a commitment to the service, partly in terms of money and partly in terms of fresh thinking and of clear and sustained decisions.

As I said, since 1979 we have increased expenditure on the prison service by 43 per cent. in real terms. The size of the continuing problem is there for all to see. Although the total crime figures are less daunting than they were, the offences for which a prison sentence is normal are still rising. When the House last debated prisons in 1986 we looked back on several days of disastrous riot and destruction. Today we are looking forward to our programme extricating a crucial public service from great difficulty and putting it on a firm road. That is some progress. So far as it is in my power, I intend to sustain that progress.

5.2 pm

Mr. Roy Hattersley (Birmingham, Sparkbrook): The Opposition welcome the debate. I congratulate the Home Secretary not only on initiating it but on the tone, if not always the content, of his speech. For some reason which I have never been able to understand, the Home Secretary does not always welcome my political embrace, so I shall say no more in congratulation to him than that I look forward to watching him on television making a speech in similar tone to the Conservative party conference in October.

As the Home Secretary will gladly confirm, the crisis in our prisons did not begin last year or the year before. In every year of this decade in its annual report, Her Majesty's Inspectorate of Prisons has warned the Government, in the strongest terms, about overcrowding and the consequences of overcrowding. In 1981 the report described it as

"a major problem in its own right and the direct cause of many of the suffocating difficulties which beset the system".

In 1982 it

"loomed as large if not larger than the year before".

In 1984 it "remained a major problem".

In 1985, in perhaps the most damning criticism of all, the inspectors said that there was

"little new to say about it except that it had worsened considerably".

By 1986, according to the inspectors,

"breaking point was reached in many prisons".

Mr. Devlin: The overcrowding has been caused because the Administration of which the hon. Gentleman was a member cancelled the prison building programme.

Mr. Deputy Speaker (Mr. Harold Walker): Order. May I remind the House that this is a short debate which must finish at 7 o'clock. Interventions are made only at the expense of the speeches of other hon. Members.

Mr. Hattersley: I shall heed your advice, Mr. Deputy Speaker. I suggest to the hon. Member for Stockton, South (Mr. Devlin) that, if he is called later, he should try to rise to the Home Secretary's level and say something constructive rather than make petty political points.

During the last decade the prison population has risen by almost 20 per cent. This contradicts the point that the hon. Gentleman has just made. It has been during the last decade that the prison population has risen by 20 per cent. and that has caused the emergency. The prison population was 42,000 in 1979, 46,000 in 1985, 48,000 in 1987 and 50,000 in March of this year. In response to that the Government have initiated a major programme of prison building. From time to time they have taken emergency action, ranging from early release to the use of army camps.

A substantial building programme is necessary. The Government deserve to be congratulated on bringing forward the programme, which, with one major reservation, should be welcomed, and I welcome it. My one reservation—here I come to the error made by the hon. Member for Stockton, South—is that the building programme alone will not solve the problem. We must not be trapped into the illusion of believing that.

The problem of prison overcrowding in some areas over the last year may have been exacerbated by the dispute between the prison officers and the Home Office. Lord Ferrers, speaking in another place, was explicit about a

more fundamental cause which I know the Home Secretary wishes to address and which I, too, will attempt to address. Explaining the reason why remand prisoners were in police cells, Lord Ferrers described the prison service as being temporarily overwhelmed by the high level of population growth. That was part of the reason—a part that the Government can hardly claim took them by surprise.

Equally important were two other factors: first, the unremitting increase in crime during the past decade; and, secondly, the fact that in Great Britain we send too many people to prison, we keep too many of them in prison for too long, and we imprison them in conditions which make it likely that they will return to a life of crime. The Home Secretary did not altogether convince me that he is ready to tackle head on the fundamental problem of too many people going to prison, not least because of his interestingly selective use of international comparisons.

I want to give the Home Secretary the figures at which he half hinted, but which he did not spell out. In the United Kingdom we have 96 prisoners for every 100,000 members of the population. In France the figure is 89, and falling. In West Germany it is 84, and falling. In Belgium it is 69, in Denmark 69, in Spain 67, in Italy 57, in Sweden 57 and in Holland 37. In the United States and Canada the figures are higher, but included in their figures are men and women in institutions which in this country would probably not be classified as prisons.

I shall deal later with those institutions, which are for drug offenders—not traffickers, but users—for alcoholics and for the incapable or the simple misfits in society. If we had such institutions, our society would be a great deal better and our prison system more effective. However, the United Kingdom sends more people to prison than any other country in western Europe.

Mr. Hurd: As a proportion of the population.

Mr. Hattersley: Yes, indeed, but I do not believe that there is anything inherent in the British character which makes a custodial sentence peculiarly appropriate to the British criminal. However, on historical evidence, there is something about the prejudices of the British Establishment—no matter which political party they may come from—that makes the Establishment believe that long prison sentences are the way to reduce crime. On all the evidence available, the opposite is true.

Mr. Hurd: On the statistical point, we were second and we are now fourth. Three other countries in the Council of Europe are now ahead of us on the proportionate comparison that the right hon. Gentleman is making. Our prison population has been increasing more slowly in recent years than what of four or five other countries, including France and Ireland.

Mr. Hattersley: If the figures that I possess are correct, the right hon. Gentleman is right in saying that there are two countries where the proportion is worse than ours. Without any reservations, I concede that Austria is one of those countries. I am informed that the other is Turkey.

The Parliamentary Under-Secretary of State for the Home Department (Mr. Douglas Hogg): Another is Luxembourg.

Mr. Hattersley: I give the hon. Gentleman Luxembourg —*[Interruption.]* I congratulate him on mentioning Luxembourg. I am prepared to play the statistics game. I challenge his Luxembourg with my Federal Republic of Germany. When the examples quoted by Conservative Members are Austria, which I concede, Luxembourg, which I suppose is important, and Turkey, which I do not include in my definition of a democratic state of Western Europe, the case is overwhelmingly on my side.

What is equally incontrovertible is that the enthusiasm for custodial sentences has increased recently. In the late 1970s, 16 per cent. of adult males convicted of indictable offences were sent to prison. In 1986, the figure increased to 21 per cent. Together with the changes in regulations governing bail and parole—to which I shall turn in a moment—that has resulted in the most grotesque prison overcrowding. In January of this year, there were 18,406 prisoners sharing cells which were designed for single occupation. In fact, anyone who visits our old prisons knows that we are holding prisoners in conditions the Victorians would not have tolerated. There is no training, inadequate recreation, infrequent bathing and minimum visits. That does not deter crime—it breeds it. I accept that the Home Secretary can point to examples of prisons where conditions have improved, but the overall picture is appalling.

In the past, the Home Secretary has responded to calls for fewer and shorter custodial sentences with the reply that he supports stiff punishment for crimes of violence and burglary. So do we all. Building on what the Home Secretary has said, I include in that category an offence that requires strong action—drug trafficking. But prisoners convicted of those offences make up only a comparatively small part of the prison population—less than one in five of the number of men and women convicted in any one year. Of the 86,153 men and women given custodial sentences last year, only 16,371 were convicted of extremely serious offences. Our argument is that the petty offenders, the inadequates and the fine defaulters should be given non-custodial sentences or should serve considerably shorter periods in gaol. I shall make other proposals later in my speech about bail and remand, but our central concern is sentencing policy.

Some hon. Members will regard my argument as soft-hearted. They delude themselves if they believe that custodial sentences reduce petty crime, especially custodial sentences served in present conditions. The idea that a young man leaves prison chastened and repentant is all too often a romantic myth. Often, he leaves deeply embittered. Since visiting is now down in some prisons to half an hour a month, he often leaves prison with a need to rebuild a relationship with his family. We know that one of the causes of renewed criminality is the discharged prisoner's inability to re-establish a relationship with the family he left behind and to receive the necessary support from that family.

The way in which we presently organise our prisons —a man who has been sentenced to a year's imprisonment will see his wife, perhaps, for six hours during that period —makes it almost impossible for released prisoners to settle down to normal life and receive the support from their families that is necessary if they are to avoid criminality. I remind the House:

> "The worst effect of prison overcrowding and poor regimes is not that they make the prisoners more uncomfortable, but that they make them more likely to re-offend."

[Mr. Hattersley]

Those are not my words, but the words of the Home Secretary; and they are true. The only way in which we can avoid a regime which encourages and increases criminality —the regime that the Home Secreatry so accurately described—rather than reduces it is to cut the prison population.

Yet, year by year, prison conditions continue to deteriorate because of overcrowding. I have read—it made unpleasant reading—the Bow board of visitors most recent report on Wandsworth prison, in which it describes conditions of almost unbelievable squalor. The degradation involved in imprisonment there must breed crime. It must have an intolerable effect on the prison officers who work in that prison. Having read that report last night, it did not surprise me to learn at lunchtime today that there was a dispute in that prison this morning. How the prison officers can tolerate it and the prisoners survive is something which anyone who reads that report will find difficult to understand. That prison is not alone in being described in that way by its board of visitors.

The report of the Leicester visitors came to a simple conclusion. It stated:

"We regard it as increasingly irresponsible to rely on an annual miracle and luck to run a prison."

Yet the Government are not taking the radical steps needed to reduce overcrowding and—by parliamentary answer—have formally abandoned their commitment to a code of minimum standards in our prisons, even for eventual implementation.

A month ago I visited the probation service in west Yorkshire, where I saw the result of a scheme which it is running in Dewsbury and its success with young offenders with two or three convictions. On the evidence provided, young men given non-custodial sentences are less likely to commit a further offence than their contemporaries who were sent to prison for similar crimes. The non-custodial sentences imposed by the local courts were neither painless nor easily discharged. They almost invariably involved some sort of restitution to the community or to the individuals against whom the offences had been committed. The clear conclusion from the Dewsbury experience was that non-custodial sentences are not so much the soft option but the sensible option for society. No one wants what the Home Secretary weakly described as a licence to offend again. However, it is sensible from the community's point of view to see extensions of community service orders, day centres and those systems which are cheaper than prison and have a better result for the community than prison now offers.

Mr. Greg Knight (Derby, North): Does the right hon. Gentleman disagree with the statement that the courts must also react to the perception of the need for higher penalties when necessary, because that was recently said by his right hon. and learned Friend the Member for Aberavon (Mr. Morris)? Are we seeing yet another split in the Labour party?

Mr. Hattersley: I am not sure whether the hon. Gentleman was here, or whether he was sharpening his tiny political axe, when I explained that, for a variety of offences, severe punishment and therefore considerable sentences were necessary. The distinction that I am trying to draw is between those sentences which are appropriately long and those which are unnecessarily long. I remind the hon. Gentleman that normally, when such matters are discussed, it is the Home Secretary's habit to insist that the length of sentence is a matter not for him but for the court. Indeed, he has said that today. That is at least disingenuous.

First, it is up to the Home Secretary, as he conceded today in part of his speech, to make available suitable alternatives, such as supervised release. Until there is a universal pattern of available alternatives, the Home Secretary must take some responsibility for the custodial sentences that the courts impose.

Secondly, it is possible for the Government to advise the judiciary, through the Lord Chancellor, of their views on the efficiency, efficacy and necessity of long sentences.

Thirdly, and most importantly, the Home Secretary is responsible for creating the sentencing climate. Nobody wants him to direct the judiciary, because that would be quite intolerable. However, he does have an influence over its actions, although it may be oblique and indirect.

The Home Secretary and his immediate predecessors have created a climate in which the judges—who, whatever they may pretend, are only human—have come to believe that long custodial sentences are what society expects of them. That climate has been not simply created by the public statements of successive Home Secretaries but propagated by some of their actions. It is indisputable that decisions made by the Home Secretary's predecessors have directly contributed to the number of men and women who are now held in British prisons.

In 1981 Lord Whitelaw came to the House with a proposal for supervised early release, not as an emergency but as part of the process of custodial sentences. We welcomed and supported the proposal that prisoners serving sentences for the least serious offences would be discharged under supervision before the full sentence was completed. Unfortunately, the Conservative party conference did not and, as a result, the proposal was abandoned. Now, seven years later, I understand that the Parole Review Committee, under the chairmanship of Lord Carlisle—a committee that I thought would have rated a mention during the Home Secretary's speech but did not—may recommend a scheme identical to that which the then Home Secretary brought to the House seven years ago.

Supervised release for prisoners serving two years or less, on the Whitelaw pattern, would cut the prison population by 6,000. Were it applied to prisoners serving three-year sentences or less, the prison population would be reduced by about 8,000. I can only hope that the Home Secretary has more success with the Conservative party conference than was enjoyed by his distinguished predecessor seven years ago.

I hope that the Home Secretary will face the real issues with greater determination than was shown by his immediate predecessor, the right hon. and learned Member for Richmond, Yorks (Mr. Brittan). The right hon. and learned Gentleman changed the rules governing parole. Those changes have produced an increase of about 2,000 in the prison population. That increase is indisputably and directly the Government's responsibility.

The Home Secretary is more guilty of sins of omission than commission. His failure is that he has not dealt with another major cause of prison overcrowding—the increase in the numbers of remand prisoners, who, according to his figures this afternoon, make up 11,000 out of, say, a prison population of 50,000.

I do not want to weary the House with the principles involved in the matter except to say that in a free society remand prisoners, who are by definition innocent until a trial proves otherwise, should be brought to that trial as speedily as possible. I simply draw attention to the practical implications of extended remand. I want to ask the Home Secretary a simple question that I hope the Under-Secretary of State will answer when he replies to the debate. It is now almost five years since the Government obtained the power to require men and women held on remand to be brought to trial within a specified time. That rule has been applied with conspicuous success for many years in Scotland. The Home Secretary now applies the principle timidly, area by area, in England and Wales. Why does he not make it a general rule and, as a result, substantially reduce the prison population?

I know that the Home Secretary is concerned about the workings of the prosecution system. However, the difficulties that might arise from the rule being applied universally would not be cumulative. To put it simply, by applying the rule across all London the problems, real or imaginary, that have been created by its application in parts of London would not increase. His timidity results in unnecessary and unacceptable pressure on the whole system.

It is unacceptable for reasons of principle as well as practice. Of the prisoners remanded in custody, 38 per cent. of the men and 62 per cent. of the women who are refused bail are later acquitted or given non-custodial sentences. Clearly a larger proportion of those remand prisoners should be held on bail.

Yesterday the Minister of State sent out information which was described as being

"designed to assist the courts in bail decisions."

The Home Secretary referred to that in passing, if at all. It refers to the

"need for consistency of approach."

I hope that I am not doing the courts an injustice when I say that by referring to the

"need for consistency of approach,"

the Minister was treating them gently. At the moment, their approach is wildly inconsistent. If the courts do not respond to the Government's gentle prodding, I hope that the Home Secretary will consider a fundamental review of the Bail Act 1976 and laying down laws and regulations that require the courts to operate consistently rather than capriciously, as is the case now.

Currently, prisoners awaiting trial or sentence represent over 20 per cent. of the prison population. As a matter of practice, they are applying an intolerable and unnecessary burden on the prison service. The problem of principle is intensified by the fact that, according to the latest figures, 1,000 remand prisoners are now being held in police cells. That is bad in every way. It is bad for the prisoners who are held in intolerable conditions, for the police who are put under additional pressure and for the system of justice because it makes access of lawyers and solicitors sometimes difficult to the point of near impossibility. Again, the problem will be solved only by radical determination to reduce the prison population.

I may be doing the Home Secretary a slight injustice when I say that his faults are those of timidity alone. He is also guilty of hopeless confusion in his attitude towards remand. He claims that we should reduce the period in which men and women are held before trial, but in the Criminal Justice Bill he proposed to change the remand rules so that the initial application can cover 28 rather than seven days. I know that has the marginal benefit of reducing the time taken by prison officers and police in travelling between court and prison, but the penalties are enormous. One of them is the increase in the number of remand prisoners held at any one time. I hope that the Home Secretary will not underestimate the significance of that increase. We know that the increase in remand prisoners has increased the prison population over the past year by 700. The Home Secretary admitted that on 30 March when, for the second time in a year, he came to the House to announce emergency action. That is exactly the number of new places he has found it necessary to create in the Army camps at Rollestone and Camberley. Had he not allowed the number of remand prisoners to increase, those Army camps would not have been needed.

I repeat that I do not suggest that the Government's recent shortcomings are the main cause of the prison population explosion. The real causes are more longstanding. They are based on enthusiasm for sending men and women to gaol. That enthusiasm varies from area to area and results in some magistrates sending 9 per cent. of convicted offenders to prison while in other areas the figure is as high as 35 per cent. Section 1(4) of the Criminal Justice Act 1982 provided the first steps towards laying down criteria by which the courts could judge the suitability of custody for offenders under 21. We believe that the time has come for similar criteria to be laid down for all offenders, as a matter not only of civil liberties but of practical necessity. The answer lies in radical measures.

The remedy lies also in the introduction of an early release scheme for minor offenders, in the creation of a climate in which prison is used as a last resort and sentences are of a sensible length and in the removal from the prison system altogether of some of the thousands of people who should never have been there in the first place —obvious examples being fine defaulters and debtors. Fine defaulters constitute only 1·5 per cent. of the average daily prison population but they account for one fifth of all offenders entering prison. They therefore impose a huge and disproportionate burden on the prison system.

It is still not clear whether the Government support or reject the idea of day fines related directly to offenders' ability to pay rather than some notional tariff that the courts carry in their collective heads. Perhaps the Under-Secretary will tell us the Government's conclusion on that subject. We certainly support that idea and I hope that the Government will share our enthusiasm for it.

The Government have not been sufficiently imaginative in considering ways in which maintenance payments can be collected rather than written off by the acceptance of a prison sentence. There can be nothing more desperate in our society than the circumstances of the family that does not receive the maintenance that pays its grocery bills because a man believes that he has discharged his duty by serving a prison sentence.

There is another category of prisoner that clogs up the system without providing any benefit either to society or to the individual on whom the sentence has been imposed. There are in our prisons today a large number of men and women who are simply social inadequates—drunkards, vagrants and small fine defaulters who have been convicted of offences related to their inadequacies. They are constantly returned to prison for short sentences, and they impose an enormous cost and burden on the system. In other countries, they are dealt with quite differently.

[Mr. Hattersley]

The non-custodial institutions in which they spend their time are far less expensive than full-blown prisons. It is in the creation of such institutions that the Home Secretary should see the solution for some of the overcrowding that he has described.

The problem will not be solved by the prison building programme alone or by the occasional opening of Army camps or agreement to emergency accelerated release. It will certainly not be solved by the introduction of unacceptable and unworkable gimmicks, such as electronic tagging, about which I note the Home Secretary had nothing whatever to say today. I hope that we can assume that as the electronic tagging idea served no more serious a purpose than to get the name of the Minister of State into the newspapers from time to time, we can abandon all discussion on it and write it off. The Home Secretary shakes his head. Does he intend to go forward with such a scheme or does he not?

Mr. Hurd: The right hon. Gentleman must contain his curiosity until he sees our Green Paper on punishment in the community. As I have often said, we are considering whether some scheme of electronic tagging would fit into British conditions and help to provide the alternatives to custody of which I spoke at some length.

Mr. Hattersley: Part of my admiration for the Home Secretary is that he describes electronic tagging with such obvious patrician disdain. If he took it as seriously as the Minister of State, he would no doubt have dealt with it in some detail today. But it seems to be the only subject on which the Minister of State ever makes a speech. Recourse to and refuge in such gimmicks will not solve the problems; nor will the building programme, welcome though it is. The real solution lies in sending fewer people to prison, in excluding from prison those for whom a custodial sentence is inappropriate and in ensuring that when such a sentence is necessary it is no longer than meets the bill and fits the crime. We shall continue to advocate that course and we shall continue to hope that the Home Secretary has the nerve eventually to adopt such an approach.

5.34 pm

Mr. Michael Alison (Selby): The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) properly and understandably ranged across the whole spectrum of prison affairs. I propose to draw attention to an aspect of prison life which may at first sight seem marginal, but which, in my view, is highly significant. I refer to the role of prison chaplains and the place of religion and worship in prisons. I do so not wearing an official Church of England hat but merely as a trustee of a charity—Prison Fellowship—which is actively concerned with these matters.

The Homc Secretary will know that there are 87 full-time and 40 part-time Anglican prison chaplains in post at present. There are a dozen full-time Roman Catholic chaplains and a number of part-time nonconformist chaplains.

Anyone with any experience of institutional life—whether at school or university, in the forces or in hospital work—will know two things. First, a chaplain is usually provided, but usually in rather a formal and automatic way. Rather like a medical officer, he is someone who one needs to have about the place but to whom one hopes and believes people will not need to have recourse. Secondly, when the right man is in post as chaplain, the effect for good can be the most fundamental and pervasive of all factors affecting the morale of the institution. That is certainly true in prisons, and it goes further than that. Most prisoners have not darkened the doors of a parish church or chapel since the earliest days when they had a brush with the baptismal font in their local place of worship. Once they are in prison, probably only two factors or influences can give them a fresh start, and it is a fresh start for prisoners with which we must be concerned above all.

Education is an enormously important and valuable influence. The experience of a poorly educated prisoner who progresses to become a candidate or graduate of the Open university is profoundly rehabilitative. The other influence is the experience of an inner change of heart in which the inmate comes to terms with his guilt, his sense of personal value is restored and he finally achieves a sense of social acceptance, whereas his relationship with society has been profoundly disrupted. This latter rehabilitative influence can come only through the work of religion, the prison chaplaincy service and, above all, through contact with the churches in the vicinity of the prison where the prisoner is held.

In pursuit of positive rehabilitative prison objectives, it behoves the prison service and the Government to give as much help, support and encouragement as possible to the prison chaplain and his role. At present, that support is not always forthcoming in practical terms. For example, chaplaincy meetings and programmes tend to be early victims of any constraints imposed by staff shortages on the daily or weekly routine of prisons. Chaplaincy meetings are often forced to start late and finish early and they are often cancelled. Midweek programmes, particularly, seem to be extremely vulnerable to cancellation and disruption. Sometimes blocks A and B of a prison are given access to a chaplaincy meeting while blocks C and D are disbarred from it for some reason.

The most notorious example of unhelpful attitudes to the work of the prison chaplaincy is the history of the famous Dartmoor evening service, which has taken place from time immemorial. It involved the local Salvation Army band coming into the prison. It was a marvellous evening service, supported by local churches and chapels. The Dartmoor evening service has been stopped and there appears to be no prospect of its being allowed to resume, simply because of the undervaluation of the significance and role that such services may have. I hope that my hon. Friend the Under-Secretary, if he can do nothing else for the chaplaincy service, can guarantee that the Dartmoor evening service, which is of tremendous local fame, is reinstated. If he offers us that, he will earn the support and affection in particular of my hon. Friend the Member for Torridge and Devon, West (Miss Nicholson), who takes an enormous interest in Dartmoor prison.

Another matter of concern, especially when set against the background of the statutory right of prisoners to worship—it is written into the prison rules—is the difficulty faced by a number of special category prisoners in getting access to places of worship. Secure unit inmates, rule 43 inmates—prisoners who are segregated because they have committed sexual offences—and prisoners subject to punishment are often prevented from enjoying

their statutory right to take part in acts of worship. If there is only a part-time chaplain, it is difficult to work services for such prisoners into the overcrowded chaplaincy programme. Hardship is involved, especially for Roman Catholic prisoners who have a strong sacramental dimension to their religious faith and to whom holy communion is vital. It is especially difficult for part-time Roman Catholic chaplains to go round to all prisoners if those prisoners are not allowed to come to meetings.

I am told that part of the explanation for the difficulty in moving such prisoners is the "Gartree helicopter" factor —the deep sensitivity of the prison service about security. Surely the remedy is a greater willingness to trust prison chaplains and to dispense with prison officer supervision at every sort of chaplaincy function or meeting. It should be possible to do that, with a little confidence from the prison governor. In the old days, the prison governor was the first key holder, but the prison chaplain was the second. Those days have gone, but more trust and confidence should be placed in prison chaplains conducting their meetings without the necessity for supervision.

Another matter of concern is the tendency in many prisons to undermine the regular slot—which should be enjoyed, because it is a statutory right—for Sunday morning worship, by providing for other activities at that time, for example, family visits and sporting events. Quite apart from the statutory basis of Sunday worship, and the merit in protecting it from competing events, it is profoundly unfair on prisoners to deny them this right. They spend much of their time in their cells by themselves without moving around the prison. Prisoners must make an agonising choice between competing events to which they would like to go, and then have to return from one to an extended time in the cell, having missed the others. I hope that the regular service of worship is protected and that this slot is made unique for the prisoner who wants to attend worship.

In the current revision of prison standing orders, which are of great significance and could have enormous implications for the prison chaplaincy service, I hope that my right hon. Friend the Home Secretary will ensure that some of the difficulties faced by chaplains are included in any scrutiny of how prison rules should apply and that some of the anxieties to which I have referred are attended to.

I conclude where I began: the chaplain can be a unique asset in the prison. Internally, a good prison chaplain is detached, yet he can be the confidant of every person in the prison, from the governor to the lowest level of prison officer, from the longest-serving prisoner to the most recently arrived. If the chaplain is trustworthy and good at his job, he is uniquely placed in the prison to develop confidence and to help everyone in all their various difficulties.

Externally, the prison chaplain can lower the drawbridge to the community outside. Few organisations are prepared in a community sense actively to identify themselves with prisoners, apart from the Christian Churches and fellowships. The prison chaplain can draw in such groups, who are only too willing to come into the prison and to mix freely, on equal terms and with complete reconciliation, with the prison population. If the prison chaplain is not allowed to lower that drawbridge, immense deprivation is forced upon the prisoners.

I remember vividly from my days as a junior health Minister that hospital doctors said that the key factor in progressive patient care, in getting people well in hospital, was to introduce into the hospital as many as possible of the healthy community from outside—healthy friends, associates and members of the family—so that patients felt that they belonged to the healthy community outside, and not to the sick community in the hospital. The same principle applies in prisons, but generally the only parts of the community that will go into prisons voluntarily are the Christian Churches. My right hon. Friend the Home Secretary should do everything possible through the chaplaincy service to encourage the mixing of the outside community with prisoners. For those reasons, I hope that my right hon. and hon. Friends in the Home Office can give some encouragement and support to the prison chaplaincy service.

5.47 pm

Mr. Robert Maclennan (Caithness and Sutherland): The Home Secretary has held his office for three and a half years and, therefore, it is possible to review his achievements and attitude to the problems in the prisons with objectivity and certainty that might not have been possible even a year ago.

Many people who are concerned about prisons—the Home Secretary said that there were not many in the House, but he underestimates the interest—would have felt when he took office that there had been individual crises in the prison service which had ruffled the otherwise relatively smooth waters of the previous 20 years. In the 1960s, there was the Blake escape and problems of prison security. There was a crisis in the early 1980s, following the industrial action of the prison officers, which was evidence of the staff being under pressure. In the mid-1980s, there was a particularly steep incline in the prison population. We now face not sporadic crises but an endemic problem in the prison service which shows no sign of amelioration and which, if the Home Secretary is unable or unwilling to go further, will deteriorate to a dangerous flashpoint.

In Scotland, where an even higher proportion of the population is incarcerated than in England, the conditions in Peterhead and Perth appear to have led to outbreaks of violence which are the subject of actions in court and which have been commented upon in official and unofficial inquiries. I regret that, because this is such a short debate and no Scottish Minister is participating, it is not possible to review the Scottish scene at length, but the position is alarming. The widespread view in Scotland is that nothing less than a Royal Commission into the penal system will ensure that penal matters are dealt with seriously and that the issues that appear to be being handled by placebos and platitudes by the Scottish Office will be given proper consideration.

The Home Secretary's speech typically showed no radical commitment to dealing with the problem. It is difficult for him, because he operates with colleagues and in a political party whose atavistic, punitive response to crime makes it exceedingly difficult for Conservative Ministers to take liberal measures when they may be necessary. It was typical of the right hon. Gentleman that he felt it worthwhile to argue about the proportion of convicted offenders confined in comparable European countries. It is of no great significance whether Britain is third, fourth or first, but it is undoubtedly true that a rising proportion of our population is being incarcerated. The figure now stands at about 96 prisoners per 100,000 of the

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population. There is little evidence that that rise in incarceration is contributing to the prevention of crime. The figures for recidivism—those who reoffend on release—are deeply depressing, nowhere more so than in respect of young offenders, two thirds of whom are reconvicted within two years of release.

Mr. Andrew Rowe (Mid-Kent): It is impertinent of me to intervene after having walked in so recently, and I apologise for that, but is the hon. Gentleman aware that there are three experiments using voluntary organisations in which the number of young people being incarcerated and reconvicted has fallen dramatically? Is not that an encouraging sign?

Mr. Maclennan: I find little of encouragement in the figures on young offenders; nor, I think, does the Home Secretary, for he has talked about the problem to the Magistrates Association in south-east London.

There is no evidence that prison makes an effective contribution to the reduction of crime. Most non-violent crime is committed by young offenders, so it is especially important to tackle the problem. The absence of any academic evidence supporting the efficacy of imprisonment might at least lead a cost-conscious Government to consider the efficacy of alternatives. It must be admitted that there is not much foolproof evidence either way, but at least the alternatives to prison are very much more inexpensive and almost certainly no less effective.

The difficulty appears to be that the Home Secretary has approached all the alternatives tentatively and hesitantly and by a process of extensive trial, without the wholehearted commitment necessary to tackle the problem. The rate of increase of prison places to which he referred when speaking about his building programme will not take care of the increased number of prisoners if the alternatives are not tried.

The Home Secretary frequently pays lip service to the need to satisfy public opinion about the appropriateness of the sentencing policy, but too often it is not recognised that public opinion is less atavistic and punitive than is sometimes claimed in Conservative party conferences. Such evidence as there is about public opinion—polling evidence, and evidence from the 1984 crime survey, from the Prison Reform Trust study of 1982, and even from the *Mail on Sunday* in 1985—shows that if there is a choice between spending more money on building prisons or reducing the prison population by giving non-prison sentences for minor crimes, the public prefers by a clear majority the non-custodial approach. If the Home Secretary wants to influence public opinion so that people understand the problems that he faces, he will do well to commission further research on the effectiveness of alternative forms of penal treatment. Lord Butler, a distinguished predecessor of the right hon. Gentleman, clearly envisaged, when setting up the research unit in the Home Office in 1957, that this sort of information would be made available. Regrettably, the resources have not been sufficient to do that.

The Home Secretary has taken an important step in Fresh Start towards improving the rehabilitative and reforming impact of prisons. In introducing the programme, which everyone supports, he has, however, compounded staff shortages and resource problems. In some cases accommodation cannot be used because of such shortages. One example is the Castington youth custody centre in Northumbria, where 60 cells equipped with sanitation are empty because there is no one to staff them. In Acklington, 213 cells were vacated when the new wings were brought into use, and there is no sign of whether they will be brought back into use to deal with the present crisis. The problems are replicated around the country.

The Home Secretary referred to his experiment with alternative means of handling the problems of court escort duty, which has deprived the prison service of the possibility of developing education and work alternatives in a number of prisons. Once again, no firm action is being taken and we are promised nothing that can tackle the problem.

There can be no doubt, in the light of the Wandsworth prison visitors' report and the annual inspectors' reports, that the present internal prison regimes—in particular, the overcrowded local prisons and police cells holding prisoners on remand—are degrading for prisoners, demoralising for the staff and wholly unacceptable in a civilised society.

The Home Secretary talked about what he could do to alter the climate on sentencing. He can and must do a great deal more by way of exhortation. Exhortation, even by the Court of Appeal, appears to be inadequate. The Bibi case—the leading case—in 1980 advised sentencers to consider whether sentences half the length of that which came to their minds would be appropriate. Such exhortations seem to have no effect, whether they come from the Court of Appeal, the Lord Chief Justice or the Home Secretary. That in itself must give rise to the question whether Parliament should intervene.

I wholly accept the Home Secretary's view that it is inappropriate for him to intervene in particular cases, although it is not unknown for Home Secretaries to intervene in categories of cases where a pattern of sentences appears to create injustices. As long ago as April 1888, Sir William Harcourt, reflecting on his experience as a Liberal Home Secretary, said that he had considered the need to ensure that young people of eight and under were not detained in prison cells, not because there were no prison cells in which to detain them but because it was a great injustice to detain such young people. The time may have come for the Home Secretary equally to seek alternatives.

The Home Secretary recognised the value of bail hostels, but, again, their location is hopelessly inadequate and there are insufficient of them to provide alternatives for sentencers. The bail verification scheme, which also enjoys the Home Secretary's nominal support, is on a wholly inadequate scale. He said nothing about the desirability of legal representation at remand hearings as of right, which might result in fewer people being held.

Of the non-custodial options available to the court, community service orders and package-deal probation orders are obviously of great interest to the courts and they use them wherever they can. However, the non-availability of non-penal hostel accommodation, day centres and centres for the treatment of alcohol and drug addiction is particularly scandalous. One young offender in my constituency has been repeatedly committed to Inverness prison as a persistent glue sniffer because there is no other secure place in which he can be held, and he cannot be

given treatment at Inverness. Britain's expenditure on prisons is massive, but our expenditure on alternatives to prison is wholly inadequate.

The sentencing discretion must not be directly interfered with, but sentencers are not always sufficiently informed about the practical consequences of the alternatives in their localities. The Government would do well to consider—I hope that the Carlisle committee is doing so—the possibility of continuity of contact between those who are sentencing and those who are administering the penal system. That is not the practice in Britain. On visiting prisons around the country, it is remarkable to learn how few sentencers visit prisons.

In France the juge de l'application des peines is appointed by order for three years and the appointment is renewable. He supervises the serving of sentences, custodial conditions, permission to work outside prison, the granting of semi-freedom and release on licence. That practice has worked well in France, and comparable prison practices operate in Austria and several other countries. It is clearly not right to involve members of the judiciary in administration, but it is right that they should know the consequences of their sentences.

I also commend to the Government the introduction of a sentencing guidelines commission on the Minnesota model. Although provoked by a problem of overcrowding comparable to Britain's, but on a smaller scale, it was introduced in a way that has brought about some similarity in sentencing policy in courts throughout that state.

The Government could also look at the recommendations of Justice, made as long ago as 1980 in an important report called "Breaking the Rules", on the decriminalising of unlawful action. More than half of criminal offences involve strict liability with no regard to the state of mind of the offender. That series of recommendations is meritorious and overdue for consideration.

There remains a serious mystery about the Government's attitude to day-fines. I hope that the Under-Secretary of State will clear it up. In January the Home Secretary said that the Government were not yet ready to relate fines to the ability of the offender to pay. Why not? The failure to tackle the problem of fine defaulters has distorted the prison population and could be tackled if the Government moved in that sphere. I cannot think why the Government are so reluctant to move on day fines. They should also remove the option of imprisonment for certain petty offences and perhaps ask the criminal law revision committee to review that prospect as a matter of urgency.

Under article 3 of the European convention on human rights, prisoners are entitled to be protected from degrading treatment and punishment, but the conditions in British prisons today are such that we may conceivably be regularly in breach of that right. The Government do not even appear to be planning to arrive at agreed codified standards and, in their abandonment of the recommendation that prison standards be codified, they have taken a step back.

Prisoners' grievances can and should be tackled in two ways. First, in matters of discretion, a prison ombudsman is appropriate. In matters of rules which convey rights, prisoners should enjoy legal assistance in the preparation of their case. They should also have more ready access to a legal remedy than at present.

The incoherence and vapidity of the criminal justice policy being pursued by the Government is one of the most serious social blots on our current society. I believe that the Home Secretary recognises that. What he plainly does not recognise, and what it is the duty of the House to bring home, is that it is within his power to take action urgently to reduce the prison population. That is the only solution to the problems that we face.

6.10 pm

Mr. Charles Irving (Cheltenham): First, let me pay a tribute to my right hon. Friend the Home Secretary and his ministerial colleagues. We tend to think that all the problems, disasters and miseries associated with the disgraceful dustbins of prisons in this country have been created in the last few years. But the position has been deteriorating for 30 or 40 years—perhaps even longer. We now treat inmates in all such establishments far worse than did the Victorians, who built their prisons to accommodate one person per cell.

I do not want to go too much into the miseries, the degradation and all that goes with such conditions. My prime interest is not in the taxpayer spending hundreds of millions of pounds on the development of new prisons without the removal of old ones. I want to see an enthusiastic, encouraging and much larger programme for organisations with which I have had the privilege of working ever since they were started—the National Association for the Care and Resettlement of Offenders, Stonham housing association, the National Association of Probation Officers, and others throughout the country. Those organisations are constantly using their best endeavours to take people out of the prison system. But, sadly, they have been starved of funds. At present, 1,200 people are lodged in police cells or cells in magistrates courts, at a cost of well over £1,000 a week per person. That is more than it costs to stay at the Ritz or Claridges. I am not suggesting that we take over the Ritz—although it would be less expensive, and the rooms are a much better size, with their own loos, bathrooms and telly.

Yet we allow the present position to continue. We have to tell Stonham housing association and NACRO that they must live through a long-winded, badly thought out, miserably excused and disguised moratorium while we examine our position. Early this year the moratorium imposed by the Home Office was lifted, and we were told that this would be of great help to the problem of overcrowding. There would be 450 extra beds, spread over three years. I do not think that that is very good, taken in the context of over 1,200 people being held in police and magistrates' courts cells.

Owing to the length of some of the speeches, we shall miss the opportunity of hearing some hon. Members on both sides of the House. That is a pity, in a short debate, but both sides show little sign of enthusiasm or interest in this important issue.

Last year, because of the frustrations and pent-up emotions in the prisons, over £14 million was spent on putting right damage caused by riots and disruptions. That can be easily understood. I am sure that my right hon. Friend the Home Secretary and his colleagues will be urged by the House to pay far more attention not necessarily to building prisons without getting rid of the old ones, but to establishing units outside. For instance, a place in a probation hostel costs about £155 a week. A

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place in a Stonham hostel costs about £90 a week, and a probation order costs very much less. Surely it makes sense to develop and use the alternatives that are already available. There is no suggestion that we have no alternatives.

I agree with much that has been said about the need to change some of the methods of taking care of offenders. Look at what we do to offenders in this place! If anyone offends here, he is duly judged, and we give him 10 days' holiday with full pay and all allowances. There are different approaches, but I think that the humanitarian approach, the sensible approach, the economical approach is through the voluntary housing system, which has all the apparatus ready.

When I see people such as fine defaulters—19,000 of them—remanded in custody and then released, it appals me. I was involved in 1947 with the original Discharged Prisoner Aid Society, and since then I have been involved with NACRO and Stonham. We cannot seem to see the wood for the trees. I do not know where the blockage is. However, I feel certain that unless my right hon. Friend and his colleagues, along with other hon. Members, take some positive action to relieve the immense pressure on the prison system, we shall pay dearly for it.

I accept what my right hon. Friend says about magistrates and judges. After all, I frequently accept what is said by my hon. Friends on the Conservative Benches. We should not interfere with the judiciary, but there are ways of dealing with these matters. I suppose that the ultimate sanction that the Lord Chancellor has is early retirement for a few of them. That may be a good thing. Indeed, it might be a good idea to have a retiring age in the House.

Mr. Douglas Hogg: No.

Mr. Irving: My hon. Friend has a long way to go, so he need not worry.

Nothing is too trivial to examine. We are in the most perilous national crisis for a very long time. My right hon. Friend the Home Secretary has been in office for three and a half years. It is probably the worst job in the Government—most former Home Secretaries tell me so. I have been associated with the Refreshment Department for nine years, which is almost as bad. There is no release there.

The debate has produced a mass of statistics on how much we will spend over the next 10 years putting more and more people into prison. But we should be concentrating on a remedy that is within the bounds of public safety and public order. Few of us here are stupid enough not to realise that there are people who deserve and will have to go to prison and be kept there for a long time. Nevertheless, statistics reveal that an appalling number of people are remanded and ultimately released, either innocent or with no prison sentence.

I hope that the Home Office, the Home Secretary and everyone else will help to meet and resolve the major dilemma that is facing the community and the prisons. Such co-operation is necessary if we are to avert a national disaster in our prisons. I pay tribute to the prison officers, because the conditions in which they work are almost intolerable. Certainly there have been improvements, but when one is working in a pent-up, tense atmosphere, humanities go out of the window. Problems will come straight in through the window if the House, the Government and all concerned do not take some early action to resolve the difficulties.

6.20 pm

Mr. Gerald Bermingham (St. Helens, South): It is always a pleasure to listen to the hon. Member for Cheltenham (Mr. Irving), who speaks so much sense. One contrasts the brevity of his remarks with the unmitigated diatribe that we heard from the hon. Member for Caithness and Sutherland (Mr. Maclennan), who clearly did not understand the subject. Sometimes such things need to be said. I intend to be as brief as the hon. Member for Cheltenham, who put his finger on it when he said that the question to be asked is, not how to house the prisoners we have, but whom we should imprison. I declare an interest in that respect.

Over the years we have seen the growth of what is called tariff sentences—for a certain type of crime the sentence will be a certain type. Unfortunately, we have begun to sentence the offence rather than the offender. That is an appalling mistake. Such a mistake happens frequently in the Crown courts. Colleagues of mine have told me how they have heard Crown court judges say, "Of course, the tariff for this is X number of years." There is no question whether, in the particular circumstances of a particular defendent, there is an alternative way of dealing with him.

If we continue such sentencing practice, more and more people will be sent to prison because more and more people are committing crimes. Nobody has ever bothered to find out why. I understand from *The Independent* of a few days ago that the Minister has put together a team of 11 Ministers to inquire into that. What do 11 politicians know about it? Criminologists, psychologists, sociologists and various other persons have spent their lives studying that subject. Apparently no one bothers to ask them but rather asks Ministers. Perhaps it is amusing to note that on page two of that newspaper are reported the views of the British Medical Association about the order or priority for saving people after a nuclear war. I noticed that politicians came at the bottom of the list. It is possible that, in respect of prisons, the BMA has got it right. If we are to think about crime and punishment and how to solve our appalling prison crisis, we must ask the experts. We must ask what makes people commit a crime and how to deal with them when they do.

There has not been a Royal Commission on this subject since 1979—the year in which the Prime Minister came to office, which sheds some interesting light on the matter —and I accept that such commissions take time. The subject is important enough, however, to let the experts have their say. We should see if we can begin to undo the damage that has been done.

I accept that that damage has not occurred only in the past 10 years. When the Labour party was in government it made exactly the same mistakes as the present Government did in their early years of office. I do not blame either party, and I do not want to be political in this respect. We have all failed to anticipate the crisis and to put resources into the system early enough. For once let us accept the responsibility. Let us be big enough to say "Stop, we have got it wrong." Let us see if we can get it right.

I congratulate the Home Secretary on the prison building programme. The tragedy is that unless we change the sentencing policy we shall never catch up on the number of prisoners who are made available to the system. That is not the fault of the Government, the Home Office, the prison department or the courts because the sentencing pattern was established some 150 years ago when we gave up transportation. That is when the mistakes began. We began with the principle that imprisonment was the only alternative.

I remember being in a juvenile court when a 15-year-old boy appeared on his first charge of burglary. He was the lookout who was drafted in at the last moment. The stipendiary magistrate sat there in all his severity with his two lay colleagues. Before the magistrate had heard the mitigation or any explanation from the defence, he said, "Well, I think we will have reports on this. Obviously I am considering custody." That was the primary consideration on that first offence. That was lunacy. It is the sort of lunacy that has developed from a policy that gradually evolved as people said, "The crime rate is going up: what can we do about it?" We should have asked how we could deal with the offender in a way that would not make him reoffend. Instead of that it was considered best to lock them up and take them out of society. We have had the short, sharp, shock treatment which was then abandoned and the old borstals which were later abandoned.

Rather than examining the offender and the reasons for the offence, we have always said, "Let us see if we can deter." We have been naive and we have not approached the problem with an open mind. We, the lawyers, are as guilty as anyone and we, the politicians, are equally guilty.

The time has come for us to stand back and accept that we have failed all the way. We must accept the mess that we are now in. Let us see whether we are big enough to say that we shall simply ask the experts. We should see what they have to say and seek to solve the problem on that advice. Such advice will not come from politicians. We are imbued in our philosophical approaches and we have our prejudices. We are subject to the pressures of the postbag and often to the pressures of the press. We tend to give in and scream when we think that sentences are too short. We are not always objective. The criminologist, the sociologist, the psychiatrist—the expert—is objective.

I urge the Under-Secretary to consider a simple request. Let us see if we can break the record of the past nine years —I am not being political in this respect—and appoint a Royal Commission to ask two questions. First, who do we want to send to prison? Secondly, what is the purpose of imprisonment? If we find the answers to those questions, we shall certainly incarcerate the villainous and the evil who must go to prison, but we shall do it in a way that may rehabilitate them. We may just resolve the problem of reoffending.

It is interesting to consider the words of the prison officer at Chelmsford whom I met a few months ago. He said, "Gerry, I watch them come in for the first time like little lambs and I watch them go out after three months as professional villains." It is time we began to think seriously.

6.28 pm

Mrs. Virginia Bottomley (Surrey, South-West): I wholeheartedly endorse the welcome given to my right hon. Friend's speech. It is extremely important to have a Home Secretary who does not regard the prison population as out of sight and out of mind. My right hon. Friend's openness in making the board of visitors' reports available, his frankness when discussing the problem and his proposals for the future are welcome to many of us.

I shall not dwell on the facts and figures—the 22 per cent. increase in staffing with the lower increase in the number of prisoners, the enormous plans for prison building and for further places. All of us are searching eagerly for ways of meeting the rising prison population.

When Fresh Start was introduced I expressed the hope in an Adjournment debate that the Prison Officers Association would work constructively with those proposals. I am still concerned that too many prison governors, who have responsible and onerous jobs, spend far too much of their time worrying about the shenanigans of the Prison Officers Association instead of worrying about the welfare and the needs of their more difficult prisoners. Too many members of the Prison Officers Association believe that a ballot at their local branch is as important as organising the prison. They refuse to work with women officers and lock out prisoners and refuse to accept more prisoners. Something like one third of those in police cells are there because of the obstructive and negative behaviour of some leaders of the Prison Officers Association.

I have been associated with this problem for many years. Unlike many hon. Members, I speak free from fear or favour, as there is no prison in my constituency. It is high time that the Prison Officers Association realised that it has to co-operate, and that the governors, not the unions, should manage the prisons.

Many people hope that my right hon. Friend will either move towards legislation to prevent the POA from taking strike action, in the same way as with the police and the Army, or to go further, in his privatisation or other proposals, to reduce the union's powers. The problem has been concealed for far too long and my right hon. Friend should realise that many people feel profoundly and strongly about it.

I recognise that the Fresh Start proposals have begun in many prisons, but difficulties still exist. Despite increased recruitment, the pressure of staff shortages clearly makes changes in working practices difficult, and I ask my right hon. Friend to continue to look favourably on the need for more staffing.

Many hon. Members have spoken about the desirability of non-custodial sentences. The majority of prisoners have not committed violent offences; many go to prison for failing to pay fines. Clearly it is essential that my right hon. Friend tries to extend to the adult sector many of the policies introduced in the juvenile sector.

There is much to be said for extending to adult sentences the criteria set in the Criminal Justice Act 1982 for custodial sentences for young offenders. I ask my right hon. Friend to do more and to draw the attention of justices' clerks and judges to the disparity in sentencing practices. He spoke effectively about the distinction between the independence of members of the judiciary and their isolation. There is much more to be done in highlighting, particularly to judges, the vast discrepancy in sentencing practice.

I must say again that I hope that my right hon. Friend will find a way to remove 14-year-olds from penal custody. It makes no sense for 500 youngsters to go into detention centres each year. They are not serious offenders. If they

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were, they would be covered by section 53 of the Children and Young Persons Act 1933. The vast majority of them reoffend within two years. The child goes from following a delinquent career to becoming a career delinquent. Once young people have been inside a detention centre, they feel that that is where they belong and that they are hard men. Their chances of ending up in prison are increased.

Alternatives to custody were introduced in the juvenile sector by the development of local projects and local initiatives, often using the voluntary sector. It is interesting that those who object to the concept of privatisation fail to realise that the voluntary sector, while not providing services for profit, forms an alternative to the state providing all services. The other key lesson from the juvenile sector was that the local providers of the service —the police and the probation service—worked very well together to inspire the confidence of the courts, so that when sentencing a young person courts would not consider alternatives to custody a soft option.

My right hon. Friend's initiative in discussing punishment in the community provides real hope for the way forward. It is sometimes thought that the probation service is caring, helpful and advising and the prison service is custodial and punitive. That is an artificial distinction. It is high time that the probation service and the prison service realised that, although they are at different ends of a spectrum, they must both combine the skills of caring and controlling. That is why the immediate reaction to electronic tagging—which I was disappointed to hear from the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley)—is ridiculous. If we can find a way of identifying where offenders are and thereby deterring crime, we should use it.

The right hon. Gentleman talked about the cause of crime. I cannot give him a definitive statement about the cause of crime, but I spent 10 years as a psychiatric social worker and 10 years as chairman of a juvenile court and I used to write papers on the subject. The vast majority of crime starts impulsively. It is circumstantial and involves youngsters who have few skills or advantages.

If electronic tagging can make a potential criminal, a remand prisoner or someone on a community probation service order feel supervised and watched over and, therefore, he does not commit a crime, surely it is the height of irresponsibility to rule it out of order. A remand prisoner at Chelmsford prison wrote in a recent letter to a newspaper:

> "When people talk about civil rights being infringed by the use of electronic tagging, what do they think about my civil rights in gaol whilst I await trial?"

The great delays in awaiting trial and the damage caused to family life are part of the same problem.

Broadly, I endorse the strategy that my right hon. Friend is pursuing. We have to maintain the confidence of the public and we have to ensure the co-operation of the judiciary. It has been said clearly and well that sending people to universities of crime is a costly alternative. It may be necessary for those who need to be kept out of circulation, but we must do all that we can to ensure that our prison system is effectively and efficiently managed, and to deter people from going to prison in the first place.

6.37 pm

Mrs. Ann Taylor (Dewsbury): My right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) and others who have spoken in the debate have illustrated clearly some of the basic facts about the present crisis in our prisons. Nationally, we have 50,500 prisoners in a system designed, sometimes by Victorian standards, for a prison population of about 42,000. Bedford prison has a capacity for 176 prisoners and holds 346 prisoners. Leeds prison has a capacity of 642 and holds 1,381 prisoners. Leicester prison, which my hon. Friend the Member for Leicester, South (Mr. Marshall) was hoping to mention but he had to leave the debate, has a capacity of 200 prisoners but contains 435 prisoners. It is clear that there is massive overcrowding and pressure in our prisons.

Many prisoners are being held in remand in police cells which are supposed to hold people for a few hours but are now holding more than 1,000 prisoners on remand, often in subterranean cells with inadequate light and ventilation, not for only a few days, but in too many cases for weeks or even for months. Whichever way we look at our custodial arrangements, for those who are convicted and for those who are not convicted there is a crisis. If a crisis of such magnitude existed in an area other than prisons, there would be a public outcry. As we all know, prisoners' rights are very low on the political agenda—in my view unwisely, because our treatment of prisoners is counterproductive to the long-term interests of society.

In his reasonable and responsible speech, the Home Secretary paid tribute to the work of the prison officers. I was somewhat surprised and disappointed by the comments of the hon. Member for Surrey, South-West (Mrs. Bottomley). We expected her to show more understanding of the pressure under which prison officers have to work.

I remind the House of what massive overcrowding means for those who are working in the prison service. Some prisons contain double the number of prisoners for which they were built. Two or three prisoners are being held in a cell that was designed for one person. Prison officer numbers are often below establishment. About one third to one half of all prisoners are locked in their cells for 23 out of 24 hours each day. Education facilities have been cut back and the association of prisoners with each other is limited. The Home Secretary acknowledged the importance of prisoner association in preventing incidents, such as suicide. Exercise, sport and access to workshops are all restricted, to say nothing about sanitation.

In those conditions, prison officers can attempt to do only one aspect of their job—containment. They can do nothing about educating, training or guiding prisoners in an attempt at rehabilitation. The result is that they are trapped in a vicious circle, which leads to prisoners being more difficult to contain. I hope that Conservative Members will join the Home Secretary in dropping their criticism and blame of prison officers and that they will work with prison officers to make Fresh Start a reality. The Home Secretary promised prison officers that by 28 February there would be full manning levels to enable Fresh Start to begin. That promise has not been fulfilled, so it is not surprising that prison officers feel that it is difficult for them to work under their present conditions —that it it difficult to tolerate the intolerable.

Those who are involved with prisons and penal policies —prison officers and civilian staff in prisons—agree that

there is a crisis. The report of Her Majesty's inspector of prisons illustrates clearly that crisis. Boards of visitors in gaols from Leicester to Wandsworth have expressed exasperation about their pleas for action having been ignored, thus proving the case for the introduction of minimum standards. The probation service, which has not been discussed in great detail in this debate, believes that the mental and physical deterioration of prisoners who are on remand is extremely severe and that prisoners are not always adequately represented in court because they have been "lost" in the system.

We have been considering what should be done. I want to consider two aspects: first, how the present prison population can be reduced, a point with which the Home Secretary did not deal, and, secondly, how further increases in the prison population can be prevented. Every time the Home Secretary has introduced panic measures to reduce the prison population—for example, by increasing remission in July 1987, which we supported—there has been a quick resumption of the relentless climb in prison numbers, which proves that short-term measures are not the answer.

The Home Secretary could introduce several measures to reduce the prison population that would have a direct impact. First, he could introduce a supervisory scheme. My right hon. Friend the Member for Sparkbrook referred to the significant contribution that that could make. I hope that the Under-Secretary of State for the Home Department will be able to say with which of his predecessors the Home Secretary agrees and whether any movement can be expected in the near future.

Secondly, the Home Secretary should do more about the delays that people experience before they appear in court. There should be a national system of time limits, not just the slowly-slowly approach that the Government have adopted so far. The Home Secretary has never explained why there cannot be a national system.

Thirdly, Ministers should think again about clause 139 of the Criminal Justice Bill. The clause will increase the number of people held on remand as it allows remand periods of up to 28 days. Fourthly, the Government should reverse the decision of the Nottingham justices so that those who are charged and held on remand are provided with sufficient opportunity to make their case for being released on bail.

All these measures would reduce, to varying degrees, the immediate pressure on our prisons. None of them would increase the risk to society, a point that we must all bear in mind.

In the longer term, there must be a change in sentencing policy. We send a higher proportion of offenders to prison than most of our European neighbours and we have a high level of recidivism. Six out of 10 prisoners are back in prison within a relatively short time, which does not exactly prove the success of that approach. We need to look at the principles of sentencing.

It is clearly common ground that those who are convicted of serious and violent crimes, including anybody who might be a danger to society, should receive custodial sentences, but for those who are convicted of less serious offences the courts should first consider non-custodial sentences. The Government could have helped to ensure that by accepting our amendment to the Criminal Justice Bill, which would have required courts to state why a non-custodial sentence was inappropriate. That would have been one way to deal with the disparity of sentencing policy in our courts, to which the hon. Member for Surrey, South-West referred.

Those who appear before the courts in one part of the country rather than another are far more likely to receive custodial sentences. There is a marked difference in sentencing policy. In Rotherham, only 8 per cent. of adult males who appear before the courts are given custodial sentences, whereas at Tower Bridge 39 per cent. of adult males receive custodial sentences. In Bournemouth, 12 per cent. receive custodial sentences. In Brighton, 25 per cent. receive custodial sentences. The Government must surely agree that greater consistency is needed. I hope that they will look again at our amendment as one way towards achieving that aim.

Today, as on other occasions, the Government have said that they wish there to be greater use of non-custodial sentences, but as yet they have done little to ensure it. The probation service is willing and ready to take on more supervision of offenders in the community. A sufficient number of alternatives, including intensive supervision, already exists. The probation service does not need more powers to extend its work. If the courts would use these as alternatives to prison rather than just as alternatives for those who would not receive a prison sentence anyway, more constructive work could be done by the probation service.

The probation service wants to emphasise the constructive side of its work. It views with dismay parts of the draft national standards for community service orders. The fact that physical work should be stipulated, as suggested in the draft, could cut across the positive approach that is now proving to be successful in so many areas. What is more, the option of expanding the probation service would also save public money. That must surely appeal to the Government.

To keep somebody in prison costs £252 a week. To keep somebody in a probation hostel costs £155 a week. Somebody who is on a probation supervision order costs £15 a week and somebody who is on a community service order costs only £13 a week—a very striking difference. If we were discussing prisoners who are a threat to the public, cost would not come into it, but we are talking about the vast majority of prisoners—petty criminals, for whom there should be an alternative to prison, an alternative that would provide benefits for the prisoner and for society.

The probation service has shown that, for £2·5 million, 3,000 additional people could be kept out of prison. That seems to me a wise investment, especially in view of the amount that is to be spent on prison building. It would achieve a great deal in a short time.

It is not in the public interest for Ministers to get so carried away by their rhetoric about being tough with criminals that they lose sight of the main problem. I repeat the point of agreement. We all believe that custody is right for dangerous and violent criminals, but if we are to stop others falling into a cycle of crime we need a different emphasis. Our sentencing policy pushes someone with a conviction into a crime trap, where prison increases the likelihood of his reoffending and drives a rift between the prisoner and his home, family and community, all of which might have helped to prevent his reoffending.

All of those who work in the penal system—the prison officers, probation officers, educationists and medical staff —rightly demand a system that they can operate successfully, and society rightly demands a system that will

[Mrs. Ann Taylor]

protect them effectively. It is our duty to ensure, and I hope that with co-operation on both sides we shall ensure, that we provide such a system.

6.51 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Douglas Hogg): This has been an important debate, and it has certainly been a rare one. The House is grateful to Mr. Speaker for giving us this opportunity to debate prisons. It has enabled us at least to bring together in a coherent whole the various policies that we are pursuing in our conduct of the prison service and of criminal justice.

My only regret is that the debate has been so short. Several hon. Members who wished to participate and had much to say have necessarily been excluded, most notably perhaps my hon. Friends the Members for Warrington, South (Mr. Butler), for Torridge and Devon, West (Miss Nicholson) and for Norfolk, South-West (Mrs. Shephard). Their absence and inability to contribute is a loss to our debate. It is a pity, too, that the hon. Member for Leyton (Mr. Cohen) was unable to speak.

Mr. Michael Marshall (Arundel): I am grateful to my hon. Friend for allowing me to intervene. I appreciate his generosity in referring to those hon. Members who have been unable to contribute to the debate.

My hon. Friend will know of my concern about Ford open prison. I hope that he will say something about open prisons. He will know the problem of categorising prisoners, with violent prisoners coming through the system and upsetting the delicate balance of the local community, the problem of lack of records, about which I know he is concerned, and, above all, the shortage of staff, and of his Department's not responding to recommendations of his own inspectorate. If my hon. Friend covers those points he will do a great service to many of us.

Mr. Hogg: My hon. Friend the Member for Arundel (Mr. Marshall) has shown that in a few crisp words one can encapulate a speech that some hon. Members would take 15 minutes to deliver. I have had the opportunity to discuss those points in private and otherwise, and my hon. Friend will know my reactions to what he has said.

At the heart of our problem, as has been focused correctly by many hon. Members, is overcrowding. This has been caused by the steady increase in the number of prisoners who are committed to the prison system by our courts. But we should be under no illusion about this. In committing people to prison in ever-increasing numbers, the courts are broadly reflecting public attitudes and opinion. A penal policy that is not in accord with the grain of public sentiment is difficult to sustain over a long time. It is important to focus on public opinion because, if we are to make changes in this sphere, it is necessary to carry the public with us. We must understand the premise on which we stand.

Mr. Bermingham: Does the Minister agree that 20 years ago when somebody went to prison everyone in the street, school, club and pub knew about it, and it was a public disgrace? It is now becoming so frequent to go to prison that when it is referred to in the school, club or pub people say, "Johnny has just gone away for a couple of months, ha, ha, ha!" Prison has lost its meaning because it is over used.

Mr. Hogg: I do not think that is right. Prison has not lost its meaning; it serves as a deterrent. As I shall suggest, I do not believe that everybody who is in prison should go to prison, but that is a different point.

One of the major causes of overcrowding in our prison system is the rapid increase in the remand population, which, as my right hon. Friend the Home Secretary said, is now about 22 per cent. of the whole prison population. I find it deeply disturbing that so many unconvicted people are held in custody, and I find it even more disturbing when I reflect that the presumptions are precisely contrary to a refusal of bail. These are matters upon which we need to focus.

There are a number of things that we can do about the remand population. First, we can appoint more judges; and we are doing this. Secondly, we can ensure that more bail places are made available; and this we can do. We can ensure that the courts receive more information about defendants, which we are doing as well. We can ensure that the Crown Prosecution Service is more consistent in its approach to bail questions, and we can impose time limits.

The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) and his hon. Friend the Member for Dewsbury (Mrs. Taylor) asked why we do not introduce time limits at once. Our intention is to have the time limits in place in England and Wales by 1990. We do not think that it is possible to do that country-wide sooner, because the courts and other relevant institutions will not be able to make an effective response to bring in time limits sooner than 1990.

Mrs. Ann Taylor *rose*——

Mr. Hogg: I am sorry not to give way to the hon. Lady, but I have only four minutes in which to complete my reply.

We must not forget that we are talking about judicial systems and decisions. As my hon. Friend the Member for Cheltenham (Mr. Irving) rightly said, judges are very independent, and jealous of that independence. But, at the same time, we are in the business of asserting and repeating that bail should be refused only if there are grave and compelling reasons for its denial. The presumptions are and must remain in favour of granting bail.

Several hon. Members have stressed that people are in prison who should be elsewhere. Anybody who has dealt with the criminal courts knows that that is true. I do not believe, however, that the solution to that problem can be found in denying to courts an ability to send people to prison for the range of offences that attract custodial sentences. It cannot be right to argue that only those who are guilty of violent offences should serve a prison sentence. The courts must have the power to send to prison persistent burglars or, say, the recidivist thief. I am glad that the right hon. Member for Sparkbrook agrees with me.

At the same time, we need to devise and come forward with a yet wider range of alternative sentences, not involving custody, but of a nature that implies real punishment, entails real control and is accepted as doing that by both courts and public alike.

In the few minutes remaining, I shall deal briefly with prison officers, upon whose compassion, good sense and

discipline the weight of the prison system rests. As my hon. Friend the Member for Surrey, South-West (Mrs. Bottomley) said, we have had our differences with those who represent prison officers. I deeply deprecate their willingness to resort to industrial action, which I find difficult to reconcile with the fine traditions of the ordered and disciplined service that I have come to admire. It is also right to say that the ordinary prison officer is a fine public servant doing a difficult and somewhat unpleasant job in a disciplined and professional manner. We have recognised that fact by the introduction of Fresh Start, which has done away with the necessity of working long hours of overtime and established a higher degree of continuity and job satisfaction in an important public service.

It is inevitable in a short debate that I should omit many points, and I apologise for that. But this is an occasion for some broad points to be made. No person, whether convicted or unconvicted, should be committed to prison unless justice and the public interest require it. At all times, we must remember that prisoners will be discharged back into the community. It is better for us all that the regime that we administer does not degrade more than is inevitable. In degradation lies alienation and the loss of self-respect, and that is dangerous to us all. Therefore, we need to improve the quality of life that is to be found in our prison system.

It being Seven o'clock, the motion for the Adjournment of the House lapsed, without Question put.

City of London (Spitalfields Market) Bill

(By Order)

Order for Second Reading read.

Madam Deputy Speaker (Miss Betty Boothroyd): Before we begin the debate, I inform the House that Mr. Speaker has selected the last instruction on the Order Paper standing in the name of the right hon. Member for Bethnal Green and Stepney (Mr. Shore)—

That it be an instruction to the Committee on the Bill to consider and report to the House on the likely effects on other London wholesale fruit and vegetable markets of the proposals to transfer the Spitalfields market to Temple Mills.

I take it that there is no objection to debating the instruction with the Second Reading. I thank the House.

7.1 pm

Sir Geoffrey Finsberg (Hampstead and Highgate): I beg to move, That the Bill be now read a Second time.

I start by explaining that the Paymaster General, the right hon. Member for the City of London and Westminster, South (Mr. Brooke), is muted as a Minister and is not permitted to speak on legislation such as this.

For a variety of reasons, I was delighted to take on the task of presenting legislation on behalf of the City. I explain at once that I have no financial interest. I am an old citizen. I went to the City of London school. My father worked at Smithfield market for some 15 years, so I know the high quality of City markets. I am a member of the Guild of Freemen of the City of London. I look forward to the City of London administering Hampstead heath in the not-too-distant future.

As I see it, opposition to the Bill is divided into two, or perhaps two and a half, sides. Some of my hon. Friends have constituency interests or trade interests. I hoped to convince them to support the Bill or to let it go to Committee, where their points could be thrashed out. However, I am delighted to say that agreement has been reached between the Covent Garden market authority, its tenants and the corporation, which means that the authority no longer objects to the Bill. Some Opposition Members have legitimate constituency interests. I hope to persuade them to let the battle of detail occur in Committee, rather than to try to prevent the Bill having a Second Reading.

Those of us who have witnessed City debates over the years know that some members of the London Labour party have a pathological hatred of the corporation of London. Indeed, they tried to abolish it, but they failed, even when there was a Labour Government. If they were objectively to look at the corporation's record, they would see every reason for backing the Bill and not opposing it.

Officials of the corporation wrote to all hon. Members who put down a blocking motion, and invited them to meet them and to hear the facts. That offer was taken up by only two of my hon. Friends. I can only assume that the other signatories did not wish to be confused by facts.

Mr. Tony Banks (Newham, North-West): I hope that the hon. Member will not continue in the vein of his last sentence. The issues are fairly well cut and clear, and we know exactly what our position is. The objectors—certainly those from the London borough of Newham—have been dealing with the market traders who are most affected. They are in consultation with the City of London.

[Mr. Tony Banks]

There was close liaison. It was not a matter of our not wanting to meet City representatives; there was just no point in doing so.

Sir Geoffrey Finsberg: Over the years, I have blocked many Bills. As a Member of Parliament, I considered that it was my duty to meet those who were directly promoting the Bill to know what was behind it.

The City has tried to overcome and meet legitimate fears. If I should suddenly disappear during the debate, it may be to get information from Heaven, as it were, although I am glad that one of my hon. Friends will assist me in that regard.

I shall briefly explain the purposes of the Bill. It is to relocate the present market in Tower Hamlets to a fresh site in the London borough of Waltham Forest, although a tiny spot of the new site is in Hackney. It is to adapt and to amend many of the local enactments that are applicable to Spitalfields so that they apply to the market on its new site, but otherwise to make no significant changes to market regulation law. It is also to require the corporation to offer accommodation in the relocated market to traders at Spitalfields market and at Stratford market, which is about one and a half miles from the relocation site. The only reason why the Bill must be promoted is that any proposal to move the market elsewhere and to apply existing legislation can be authorised only by an Act of Parliament.

Mr. Tony Banks: Will the hon. Gentleman confirm that the Bill is before us because the present Spitalfields site is governed by statute? Parliament must give approval to redevelop that site. But approval is not required for the establishment of a market at Temple Mills. Indeed, if the Bill goes through, a new statutory market will be set up in Temple Mills, which does not require a statute, competing with a non-statutory market, that of Stratford in my constituency.

Sir Geoffrey Finsberg: I thought that I made it clear that the only reason for the Bill was to apply existing regulations to a new site. The only way to do that is by introducing a new Bill.

The Bill is brief. It has a short title, definitions and an appointed day, so that one may advertise the making of the resolution for the alteration of the site. It provides an appointed day so that the new site may be substituted for the existing site, and that all obligations and liabilities shall go to the new site and operate on the new site as from that day.

Mr. Sydney Chapman (Chipping Barnet): My hon. Friend explained that, under the existing statute, it is necessary to bring the measure before the House because it proposes to move the market site. Notwithstanding that, and the fact that there will be redevelopment on the old site, which I understand is in the London borough of Tower Hamlets, will he confirm that both sites and both development proposals have been given planning permission by the respective local planning authorities? Presumably they will have taken local opinion into consideration, even though the Secretary of State thinks that it is not necessary on this occasion to hold a public inquiry.

Sir Geoffrey Finsberg: I answer my hon. Friend briefly by saying yes, but I shall deal later with planning implications.

One clause sets out the details of offering sites to traders at Spitalfields and Stratford markets. It is important to emphasise that both groups of traders will be offered sites and will be able to occupy new accommodation at the same time. If hon. Members bear that point in mind, they will see why it is relevant to Stratford market. Another clause provides for a slightly higher scale of fines for road traffic offences in the new market. Clause 7 repeals parts of the Spitalfields enactments that are totally spent or otiose. Clause 8 is formal, and shows that all costs of the Bill have been met out of the general rate of the City.

If the Bill is not carried, Spitalfields market will remain in its present condition. It will not close, because it is a good market in which there is only about 1 per cent. of vacant trading space, but it will decline and contract as a result of buildings growing older and becoming increasingly unsuitable for modern handling and storage techniques. There will be continuing heavy traffic congestion in the area and limited parking facilities for traders' and buyers' activities. One cannot resolve those problems by renovating existing buildings. So the problems, which are already well known to anyone who goes to Spitalfields, as I have done on and off for more than 30 years, are obvious.

As the market slowly declined, bits might well be redeveloped, but there would be no opportunity of redeveloping the whole to a proper development brief which would provide significant planning gain. Therefore, although there might be modest developments, those who saw that the Bill had not gone through would not be interested in putting resources into a major scheme.

The City explains the situation in the brief that has gone, I think, to every Member of the House, and I want to make only four points at this stage.

The corporation reached its decision only after lengthy tendering processes. It took close account of the traders' wish to move to the Temple Mills site and no other. The development group had obtained planning permission from the London borough of Tower Hamlets for the proposed redevelopment of the Spitalfields site from the London borough of Waltham Forest for the construction of a new market building on the Temple Mills site and from the London borough of Hackney for an access road. So three local authorities—Tower Hamlets, Waltham Forest and Hackney—have given their approval. Alas, I have to report that none of them is controlled by the Conservative party.

The case for the move rests upon a variety of propositions. At present Spitalfields is grossly unsatisfactory in planning and traffic terms, and there are many more desirable uses for the site than as a wholesale market. The existing buildings, as anyone who has examined them will know, are unsatisfactory and need extensive work. There is need for rationalisation of markets in east London. That has been considered on previous occasions and it is believed that this fits nicely into what was seen. Temple Mills is the best available site because there is not much likelihood of the site for a large modern market with modern access, ancillary facilities and parking being available elsewhere. The Spitalfields traders overwhelmingly support the move, to the extent of about 80 per cent. of their number.

Unsuccessful efforts were made which would have moved the market to the site of the Stratford market in the constituency of the hon. Member for Newham, North-West (Mr. Banks). Indeed, it was the only possible site other than Temple Mills. Stratford market comprises between 20 and 25 traders—about a quarter of the number at Spitalfields—but its site would be large enough for a combined market. However, it has many disadvantages. The road network at Temple Mills is better than that at Stratford and will be even better when the M11 extension has been completed in about 1993. The M11 extension would not greatly assist the market at Stratford. The Stratford site is not owned by the company that put in the development proposal but is owned in part by the gas board, and its land is known to be polluted. The Stratford site has a variety of entrances and exits which make it much less secure and more difficult to manage than the Temple Mills site, which would be enclosed, with only one main access and egress point.

There is a considerable number of residential dwellings in the vicinity of the Stratford site and the market would therefore be environmentally less acceptable than on the Temple Mills site, which has alongside it basically only railway marshalling yards and sports fields; and 110 Spitalfields traders would have to relocate to a new market at Stratford, while the 20 to 25 Stratford traders would remain where they are. The Spitalfields traders could not accept that state of affairs because it would give those already in situ an unfair advantage, whereas at Temple Mills all would start at the same time, and with incomparably better accommodation.

There are at Spitalfields about 30 residential tenants. Many of them have the right to buy under the appropriate legislation and the corporation has promised to keep them informed of development proposals, which it has. It is perhaps worth noting that those tenants have formed a body called the Spitalfields market residents action group. That body has not petitioned against the Bill. Indeed, many of the residential tenants are in favour of the proposed move of the market but wish to remain in their existing accommodation if that move takes place. This can be achieved because in the development plans the residential units have been included in the building lease to the development group, but the corporation will take back a long lease of those units, notwithstanding that there was a quite considerable reduction in the valuation thereby.

The agreement with the developers makes it clear that, while demolition works and the construction of new buildings are going on, they will comply fully with the corporation's requirements for the protection of residential sub-tenants. In its planning agreement Tower Hamlets has restricted work on the site to between 8 am and 6 pm, from Monday to Friday and 8 am and 1 pm on Saturdays. Environmental health officers will of course have powers to stop operations that are a nuisance.

The Spitalfields development group has offered the Spitalfields traders the sum of £7·5 million and the Stratford traders the sum of £1,125,000, through their respective tenants' associations, if the Bill is enacted and the move takes place. This will help the traders to relocate. None of that money is being offered by the corporation.

As I have said to my hon. Friends whose objections have been met by the undertaking that has been drawn up between the Covent Garden market authority and the corporation—and I have a particular interest in the Covent Garden market because I think that I am the only Member present who served on the Committee when we reconstructed the finances of the authority in 1977—I do not believe that its future is in any way threatened by the Bill's proposals.

There were two anxieties. One was that the new Spitalfields market would be too large for the combined markets at Stratford and Spitalfields. That was not the intention and it would not have been sensible. That has been made clear in the undertaking. The second anxiety was that low rents would be used to attract Covent Garden tenants. Again, that is covered. It would be foolish for the corporation even to have thought of doing that. The undertaking makes the situation clear.

As for the size of the market, planning permission has been obtained for a market hall of some 300,000 sq ft gross. That was settled by measuring the trading area and the storage space and making allowance for the extensive use that is made of the public highway to store goods. Planning permission also includes 40,000 sq ft for any Stratford traders. But the planning permission represents the optimum provision and there is no intention of creating additional trading space. Any trader who wanted to lease a larger area would have to make out a very strong case. An undertaking was given and that has now been passed on.

Much of what is said in the various instructions shows —it may not be intended, but this is how it appears—a desire to interfere in the proper local government planning business. Each of the responsible local authorities has looked at these proposals and given, in its own respect, planning approval. I can imagine the uproar if a proposal had come from the Conservatives to interfere with local authority planning proposals in a matter such as this.

Mr. Peter Shore (Bethnal Green and Stepney): To set the record straight, I should tell the hon. Gentleman that the proposal to give planning permission to the Spitalfields market development has never been debated by Tower Hamlets council. It was voted on there, but under the extraordinary, almost bizzare, arrangements of the council, the borough is divided into five or six neighbourhoods, and it was left to a neighbourhood group to come to the decision, which I think was made on a majority of two.

Sir Geoffrey Finsberg: I remember that a majority of one in the House was sufficient to nationalise shipbuilding, a rather dubious decision.

I have here a letter from Councillor Patrick Streeter who makes the position clear:

> "The Council . . . supports the relocation because it will make possible a significant improvement in the environment of West Spitalfields, particularly reductions in heavy vehicle movements at night time, and in problems of rubbish disposal."

He also confirms the

> "Council's support for the relocation of Spitalfields Wholesale Market to the proposed site at Temple Mills."

If the right hon. Gentleman is saying that the borough council of Tower Hamlets acted illegally or improperly, he has his remedy, and so has anyone else, by going to law, but he knows that the council has acted within the law, otherwise it would have been challenged.

Ms. Mildred Gordon (Bow and Poplar): Is the hon. Gentleman aware that the three councillors who represent the Spitalfields ward are opposed to the proposal?

Sir Geoffrey Finsberg: It is interesting that most of the people who live there are not, which is somewhat different. Nothing was said a moment ago to prove that the proposal interferes with the planning wishes of a local authority.

Support has come, as I said, from Tower Hamlets council. Perhaps just as important is a letter from the chairman of Spitalfields market tenants' association who says:

"From the very outset I have personally supported the move for relocation and was more pleased than anyone that more than 80 per cent. of my Association voted in favour of the move . . . The proposed site at Temple Mills offers a self contained and purpose built market on a secure site . . . It offers both suppliers and customers a very high standard of handling facilities . . . On site, control and efficient vehicle circulation with improved parking facilities . . . will be conducive to good training conditions and attractive access for employees . . . The fact that the site is enclosed will enable much better control to be exercised over what is now an escalating problem of unsupervised rubbish dumping."

I paid a visit there yesterday at approximately 3 o'clock and, even though the local authority is paid to clear away the rubbish, the area was a disgrace. If the three councillors for the ward were doing their job, they would be active in trying to get the place cleared up. I suggest that anyone who went there at 3 o'clock might not want those conditions to continue.

I have tried to be brief. There is a lot more that I could explain, but I shall reserve the rest of my remarks for later. The issues are complex in their intertwining but simple in their objective. The local authorities are in favour. The Spitalfields traders are in favour. There are safeguards for Covent Garden and fair offers for Stratford. I do not think I can do better than end with one more quotation from the letter from the chairman of Spitalfields market tenants' association—this may cover the point in the instruction:

"An East London complex which offers accommodation to traders from Spitalfields and from Stratford will, in my view, result in a sensible rationalisation of fruit and vegetable sales and distribution in London. Our enthusiasm is strong and our commitment to the move beyond doubt. My Committee feels . . . that we are now presented with a chance of moving from a market built for horses and carts to a market designed and built for the 21st century. This is not a moment to support restrictive practices or to fight progress but to take up the challenge and secure Spitalfields Market for a further century or two."

That was to be my last quotation but perhaps I ought to make just one more. It is from a letter dated 10 May from the Transport and General Workers Union to all TGWU-sponsored Members of Parliament; in the list are Mr. Tony Banks, Mr. Syd Bidwell, Mr. Peter Shore, Mr. Allan Roberts and about thirty others. The letter says:

"I am writing to you now as a matter of urgency to inform you that in the last couple of days my branch has reached a satisfactory agreement with the SMTA with regard to compensation for our members. We have therefore withdrawn our petition against the Bill and, once again, are keen to give it our unreserved support. May I urge you therefore to do all you can on 12th May to support the passage of the Bill.

Yours fraternally

Markets Officer, TGWU."

7.25 pm

Mr. Peter Shore (Bethnal Green and Stepney): The Bill is about two issues. The first covers the transfer of Spitalfields market to a new site at Temple Mills in the borough of Waltham Forest. The second is about the points that arise from the proposed redevelopment of the 11-acre site which Spitalfields market comprises in the borough of Tower Hamlets. The two issues are indissolubly linked.

One major defect of the private Bill procedure is that the Bill deals with the transfer of the market. Of course, that is one reason why we have a somewhat incongruous person on the Treasury Bench—the Minister of State, Ministry of Agriculture, Fisheries and Food. I readily acknowledge that he has an interest in the matter, but I doubt whether he would claim that it was the predominant interest among those affected by the Bill. One would have thought that a Minister from the Department of the Environment would have been a more appropriate person to speak on the Bill. I say that without wishing to quarrel with the Minister of State.

There have been defects in the speech of the hon. Member for Hampstead and Highgate (Sir G. Finsberg). He could not, or did not wish to, deal with the major issue of what is to happen to an important and crucial inner city site. I have no objection to his expounding on the clauses of the Bill and on his belief, which I challenge, about the sentiments and motives of various people who were quoted by him, as well as many others who were not.

Sir Geoffrey Finsberg: I made it clear that I was making a brief speech. I could have explained the matter in considerable detail, but the House does not like lengthy speeches. I should be delighted to explain in much more detail, if the right hon. Gentleman wants it, exactly what will happen, but I think the right hon. Gentleman knows. I shall leave him to it, but I shall follow up what he says if need be.

Mr. Shore: Perhaps I should declare an interest. I am the Member of Parliament who represents the City of London Spitalfields market area. I have had intimate contact with the whole of that area for the past 25 years.

I said that it was a major defect of the Bill that it dealt only with issues relating to the transfer of the market. There is no mention of the redevelopment proposals for the Spitalfields market site. Although it was referred to in the hon. Gentleman's introductory remarks, there is no mention of the Spitalfields development group which is the principal agent of change, not only to provide the alternative market site in Temple Mills but to build a new market there, and which is to redevelop the vacated market site in Spitalfields.

The link between the provision of a new market at Temple Mills and the redevelopment design for the old Spitalfields market site is crucial. Meeting the cost of relocating to Temple Mills is possible only because of the large profits that the Spitalfields development group believes that it will make from its own proposals for the redevelopment of the present Spitalfields market site. The attraction of the whole package to the City of London corporation is the large capital sums and ongoing revenues that it will receive as a result of the deal. My speech must inevitably deal with the issues of relocation of the market and with the larger issue of the redevelopment of the Spitalfields market site.

On the question of relocation, I begin with the preamble to the Bill, which states:

"(1) The age and condition of Spitalfields Market is such that the market fails to meet modern market needs and practices and the situation of the market is inconvenient for transport facilities and proper regulation:

(2) The impracticability of providing satisfactory accommodation for the market in new premises on or near the site

of the existing market makes it expedient that provision be made to move the market to a new site available at Temple Mills in the London Boroughs of Hackney and Waltham Forest."

Those are highly contentious assertions, as the City of London corporation knows. They are challenged in at least three of the six petitions that have been deposited against the Bill. We learnt from the hon. Member for Hampstead and Highgate that that number has been reduced by one. The Transport and General Workers Union, about which I will comment in a moment, has also dropped its petition.

The City of London corporation acknowledges in its report of 22 October 1987 on the future of Spitalfields market that there was

"no overriding reason to relocate the market. We were aware, however, of an apparent desire on the part of the Market Traders and possibly the London Borough of Tower Hamlets, for the market to be moved."

Of course, there are problems with the Spitalfields market. The hon. Member for Hampstead and Highgate and the City of London corporation's report agree with that view. Many of the buildings are old; the standard of cleansing is far from satisfactory; it generates heavy traffic; and there is congestion in the surrounding streets.

The report of the City of London corporation concluded:

"despite these factors, the market is relatively successful and it has to be said that not all the problems are insurmountable: e.g. with the co-operation of the local authority (Tower Hamlets) and the Metropolitan Police much could be done to alleviate rubbish dumping and traffic congestion respectively. More space could be found in the area for vehicle parking and the Corporation could consider taking control of the surrounding streets in order to regulate the whole trading area."

Let us be clear at the start. We are not dealing with a decaying market that is no longer profitable so that its transfer to an alternative site is imperative. On the contrary, we are dealing with a market which—in the words of the City of London corporation—is

"a victim of its own success."

The corporation does not add much to its case with the assertions in its recent brochure in which it stated:

"Establishing a market at Temple Mills meets the objectives set out in the 1985 report of the Conservative Back Bench Horticultural Committee which was chaired by Sir John Wells. The Committee envisaged three London markets in the 1990s, west, central and east, and wanted the Corporation to run the eastern market.

A similar objective was expressed in the published conclusions of the O'Cathin report 1981 that was commissioned by the Ministry of Agriculture, Fisheries and Food."

The City of London corporation, having little solid backing for its case, is quoting what would appear to be two authoritative reports. But that is not so. The report by Sir John Wells—a former colleague who represented Maidstone and was a considerable horticultural grower himself, especially of fruit—was never published. The public cannot assess in any way what weight to attach to what he had to say. The O'Cathain report has also remained unpublished. The report was prepared primarily to consider the grading of horticultural produce. The report did not make any proposal for the relocation of the Spitalfields market, but found that, of all the London fruit and vegetable markets, it was the one working most effectively. That deals with the alleged authority of those two reports.

Mr. Ron Davies (Caerphilly): Today I made inquiries of the House of Commons Library to find out whether the O'Cathain report, commissioned by the Ministry of Agriculture, Fisheries and Food in the 1980s, had been published. I was informed that not only had the research paper not been published, but that it was not available in the House of Commons Library. I have made inquiries, and one firm conclusion of the report was that the Government should be responsible for a strategic plan for the markets of London. It seems odd that we have not received that strategic plan or any movement towards the development of such a plan. In fact, the Government are giving tacit support to the piecemeal development of London markets by means of a private Bill.

Mr. Shore: My hon. Friend reinforces my point. I will come later to the question of the strategic planning of horticultural markets in London.

The retention of the market in Spitalfields has been the consistent view of the Tower Hamlets council, which throughout the 1970s rejected proposals to relocate the market. The council changed its mind only last year when a new Liberal council gained control of the town hall with a majority of two. Relocation is not confined to whether the existing market can continue to be viable or is capable of improvement. As the petitions made clear, there is anxiety in Stratford about the adverse effects on the existing market of the proposed transfer to Temple Mills, which is only one and a quarter miles away. I shall not pursue the issues involved in the Stratford petitions because I know that my hon. Friends the Members for Newham, North-East (Mr. Leighton), for Newham, North-West (Mr. Banks) and for Newham, South (Mr. Spearing) will have a good deal to say about that matter.

Worries of a different kind about relocation are contained in the petition of Mr. Alan Thomerson, on the grounds that the Bill

"fails to offer a better situation at the new site, except in so far as within the actual bounds of the new site, whereas the external traffic generated by the market will only add to an already traffic-saturated area."

That is his judgment of the proposed new site. It should be noted that this petitioner is a director of four companies trading within the Spitalfields market.

Another major relocation issue was raised in the petition of the Covent Garden authority and the Covent Garden tenants' association. We have learnt from the hon. Member for Hampstead and Highgate that that has now been withdrawn. Nevertheless, it is worth considering the points that those organisations made. They point out that there are currently five wholesale horticultural markets in London. Their major contention is that, due to an increase in direct trading between growers and importers, on the one hand, and supermarket chains, on the other, the proportion of produce passing through all the London wholesale markets has declined and is likely to continue to decline. Therefore, the Covent Garden petitioners make the entirely sensible point in their petition that

"before a new market is established at Temple Mills an independent assessment should be made, firstly, as to the need for such a new Market at all, having regard to the number of horticultural markets that already exist in London and the expectation of the continuing decline in the wholesale market trade; secondly, as to where would be the optimum location of any new market; and thirdly, as to the size of any new market, the need for which is shown to be justified."

[Mr. Shore]

They are also worried that the other London wholesale fruit and vegetable markets could be subjected to unfair competition from the new market at Temple Mills owing, as they put it, to the

"unduly favourable terms as to the rents payable and the costs of services and the provision of plant and equipment there, made possible by the very profitable redevelopment of the existing market by the Spitalfields Development Group."

The hon. Member for Hampstead and Highgate has told us that they have been satisfied on that point. They have been satisfied that unduly favourable conditions, which would undermine competitiveness, would not be offered to the new tenants of Temple Mills market if it is established. However, I did not hear the hon. Gentleman say that they had withdrawn their remarks about the need for a thorough appraisal of the need for a new market and where a new market should go. Therefore, I assume that the points made then, which are serious and major points, still remain. I should have thought that common sense alone would have pointed to the need for a proper appraisal of London's need for wholesale fruit and vegetable markets before allowing any major development of the sort before us this evening to proceed.

One of our problems is that there is now no Londonwide strategic authority to give an objective appraisal of proposals of this sort. Such proposals have implications that go far wider than the concerns of the boroughs immediately involved.

Mr. Nigel Spearing (Newham, South): Before my right hon. Friend leaves the matter of relocation, will he provide me with information linked to the point that he made about Covent Garden? Does he recall that when Covent Garden was changed to its new location at Nine Elms, further Bills had to be brought before the House on the matter of keeping it going? Far from the question of subsidy, can my right hon. Friend tell the House whether there is any likelihood of the new rents at the possible site at Temple Mills being greater than if the market remained at Spitalfields, thereby making trading conditions more difficult or adding to the costs of wholesale markets in London? Would that not be an additional factor to be looked at to ensure that conditions, apart from other factors, were appropriate at Temple Mills and that new traders could get in there just as easily as they can get into Spitalfields today?

Mr. Shore: My hon. Friend has raised an interesting point. However, the information that I have at present and the fact that the Covent Garden market tenants' association has withdrawn its petition can only lead me to assume that it has been satisfied that unduly advantageous terms will not be offered to the new tenants at Temple Mills. Similarly, I assume that the market traders now in Spitalfields have been given some assurance that the rents will not be too high.

Mr. Spearing: For how long?

Mr. Shore: I do not know. My hon. Friend the Member for Newham, South has raised the question of how long initial leases will last and the processes under which new leases will be negotiated.

Sir Geoffrey Finsberg: I want to be as helpful as I can. This was agreed late this afternoon. I shall read the relevant clause of the undertaking. It says:

"Market Traders to whom the intended Act applies will be offered leases of premises at the Market Hall on the new site for a term of six years from the date of their occupation of such premises, with a rent review after three years of said term, such review to be based on the Retail Price Index from time to time, subject to a maximum increase in rents of 9 per cent. . . . During the said term no conditions of a financial character more favourable to Market Traders will be offered or granted by the Corporation and the service charge at the new site will be borne in full by the Market Traders without subsidy and the Corporation will be responsible for any service charges attributable to unoccupied lettable space."

Mr. Shore: I am grateful to the hon. Gentleman for providing the information. I should have thought that that was a reasonable guarantee for the first six years. However, people think beyond that time. Obviously, they have to make their own judgment. The way in which rents for commercial property have been moving in London in recent years makes me believe that a substantial increase in rents can be expected in the future.

I have made the point about the Greater London council not being available to give any judgment on a strategic wholesale market site in London. With the abolition of the GLC, which previously performed that function, we now have only the London planning advisory committee to influence London planning. That is a sort of statutory committee set up in the aftermath of the demise of the GLC.

I wrote to the chief planning officer, asking whether he and his people had considered the strategic London need for fruit and vegetable markets. He said:

"Thank you for your letter dated 29 February . . . and the information on the Bill. As yet LPAC has not been able to fully consider the strategic problems of London's wholesale markets. An officer level 'Retail Topic Working Party' has considered the issue . . . They have identified the declining role of London's wholesale fruit, vegetable and flower markets . . . However, this will need much more careful research and consideration before the LPAC could give advice in any more robust form."

Therefore, there is no authority based upon the London planning advisory committee. Indeed, it goes on to say:

"The rationalisation and relocation of the wholesale markets could have significant strategic planning consequences. However, LPAC is at present fully occupied in the preparation of and consultation on Strategic Planning Advice for London to the Secretary of State for the Environment."

That consideration has come far too late to assist us in considering what the Government are proposing. I have said that it seemed to be common sense to have an inquiry of the sort that I have mentioned, and I adhere to that view.

In its recently published brochure, from which I quoted earlier, the City of London corporation makes much of the support that has so far been mobilised for the market's move. The hon. Member for Hampstead and Highgate referred to the views of the tenants and other people connected with the market. The corporation says:

"the decision to relocate follows extensive consultation and has the overwhelming support of tenants of Spitalfields . . . the proposed move to Temple Mills is supported by the vast majority of Spitalfields Tenants and their customers. It is supported by the London Borough of Tower Hamlets and Waltham Forest to grant planning permission for the redevelopment of Spitalfields Market site and the construction of the new relocated market respectively."

I do not dispute that the majority of market tenants are now resigned to the inevitability of moving. However, it is not clear to me that they ever felt that they had a genuine choice—certainly not during the past few months.

The GLC carried out a study of east end London markets in 1985. Of the 100 market tenants—there are just 100 of them—70 replied to the detailed questionnaire. A total of 59 found real advantages in the present site at Spitalfields and 69 of the 70 had no immediate plans to relocate their business. The claims of the hon. Member for Hampstead and Highgate and the City of London corporation about the great popularity of the move should be partially offset by that quotation.

Whatever can be said about the 100 market tenants, no such claim for support can be made on behalf of the inhabitants of Spitalfields. Indeed, I have a long list of community groups and associations, small businesses and persons living in Spitalfields who oppose the proposed redevelopment. They make up the campaign to save Spitalfields from the developers and they have petitioned against the Bill. The list includes the Spitalfields small business association, the Spitalfields community farm, the governing bodies of local schools, the tenants' associations in Herbert and Jacobson houses, Wheeler house, the Montefiore, St. Mary's and Davenant community centres, the Spitalfields housing and planning rights service, the Tower Hamlets homeless families campaign, the three councillors for the Spitalfields ward—to whom my hon. Friend and neighbour the Member for Bow and Poplar (Ms. Gordon) referred—and the whole Labour group on the London borough of Tower Hamlets, which is 24 councillors strong.

I might add that the redevelopment proposals for Spitalfields market have never been discussed by the Tower Hamlets council. They have been debated only in the so-called Bethnal Green neighbourhood, which includes the Spitalfields, Weavers and St. Peter's wards, where the Liberals have a majority of one.

Mr. Simon Hughes (Southwark and Bermondsey): Does the right hon. Gentleman accept that local authorities are entitled to delegate planning decisions to a neighbourhood committee in which a proper process is gone through and a decision taken by a majority vote? The composition of that committee reflects the balance on the council as a whole. Therefore, the decision would probably be no different had it been taken by the whole council. In any event, the site was owned by the City. Therefore, proposals for development of the site are a matter for the City and the local authority, Tower Hamlets, only has planning control——

Mr. Spearing: Only?

Mr. Hughes: Yes, only. It does not have the power to determine the development that is to take place on the site. That decision resides with the owners, the City of London.

Mr. Shore: The hon. Gentleman is over-generous to the Liberal council in Tower Hamlets. We understand his political affiliations, but he knows very well that there are many examples that we could use to show that Tower Hamlets is not the most sensitive council in Britain or London today. Indeed, it has shown a marked insensitivity in dealing with what is, after all, the biggest area for redevelopment in the borough, other than the docklands area which has been torn from the council's clutches by the London Docklands development corporation. We hoped that the 100 acres of land available would be used for the benefit of the people of Tower Hamlets. Instead, they have been used for many developments, very few of which are of benefit at all to the people of the borough.

Mr. Hughes: The right hon. Gentleman and I have identical views on the docklands corporation. The LDDC took land from the local authority, following a decision by the Government and the House over which the local authority had no control. The difference is that in this case neither the Government nor the local authority have any control over the ownership of the site. The site remains in the ownership of the City of London and the City has therefore always been the proposer of schemes. In the case of the LDDC, council-owned land was taken away by Government order and handed to the development corporation.

Mr. Shore: The hon. Gentleman understates the powerful position that development control gives to local councils. The power to say no to proposed developments is the power to initiate, or at least encourage, alternative proposals, and Tower Hamlets can justifiably be accused of failing to use precisely that power.

Let me deal with the area itself—Spitalfields—and the proposals for the market redevelopment that the Bill will release upon it. On the Department of the Environment's figures and the old GLC's index of social needs, Spitalfields is the most deprived ward not only in Tower Hamlets but in the whole of London. During a visit there last year, His Royal Highness the Prince of Wales commented that it reminded him in many ways of a Third-world country. The great problems of Spitalfields are housing and unemployment. It is now as it has been for the past three centuries—a working class and multi-ethnic community. It was the main point of settlement for the Huguenot community expelled from France in 1685. It attracted the heaviest settlement of east European and Russian Jews fleeing from the pogroms of Tsarist Russia at the end of the 19th century. In the past 25 years it has become a focal point for the Bangladeshi community, which is now the largest group of residents in the Spitalfields ward.

Spitalfields' main manufacturing activitives are clothing and the leather trade. People are employed in small workshops, often in very poor environmental conditions. Although Spitalfields is an industrious community, it has high unemployment, reflecting the general contraction that has taken place in Britain's manufacturing industry. Last September Greater London as a whole had 11·9 per cent. unemployment, whereas Spitalfields had 20·4 per cent., and the figures for January suggest that the discrepancy is now even greater. The 1981 census showed that 63 per cent. of the residents were manual or semi-skilled workers. With a high birth rate and growing population in Spitalfields and with the cessation of local authority housebuilding in recent years, the housing problems of Spitalfields have become acute. Several hundred Bengali families in bed-and-breakfast accommodation are under the threat of eviction from the Tower Hamlets Liberal council. Thousands more are living in conditions of chronic overcrowding in run-down estates. No one who has had any contact with the area can doubt that its major need is for more and improved housing and modern workshops for its clothing and other industries.

[Mr. Shore]

There is virtually no land available for development in the Spitalfields area or the borough of Tower Hamlets, other than Spitalfields market. I repeat that the London borough of Tower Hamlets lost out grievously through the transfer of land by vesting orders to the London Docklands development corporation.

It is against the background of Spitalfields' clamant needs that we must judge the proposals put forward by the Spitalfield development group. The central proposal of the group—no mention of this was made by the sponsor of the Bill—is to construct three substantial office complexes, totalling 885,000 sq ft. In particular, as the city's report put it,

"The proposal to redevelop the Spitalfields site will provide office accommodation for the Financial City."

There will be a retail centre comprising approximately 80,000 sq ft of lettable space, to cater for a broad range of shopping requirements. As the Spitalfields development group put it in its own brochure, letting policy—this will really please the people of Spitalfields—

"will ensure that the mix covers a wide spectrum including quality restaurants, wine bars and cafés."

There will be 64,000 sq ft for small business units and 200,000 sq ft for housing accommodation.

A section 52 agreement has been made with the London borough of Tower Hamlets, the most important part of which is the provision of 118 units of residential accommodation to be released to the three housing associations operating in the area. In addition, there is to be a community trust with £2·5 million of capital to assist businesses and to improve the environment. Further provisions include an undertaking by the Spitalfields development group

"to use its reasonable endeavours to procure that throughout the phased programme its retained building contractors for the development . . . provide a number . . . of on-site training opportunities for persons whose normal residence is within the London Borough of Tower Hamlets in appropriate skills related to the Construction industry."

There is to be a grant of £50,000 a year to the Tower Hamlets Association for Technology Training. Premises are to be provided for a law centre and a fashion centre.

These are not negligible gains, but they must be seen against the background of the major office development in the area, the enormous financial sums which will be made by the development group and the exceptional housing and other needs of the Spitalfields community. Moreover, as we know from recent bitter experience in other parts of our borough, major office redevelopment leads to soaring site values in adjacent areas. Small businesses in the area of Spitalfields, which often now pay a low £3 to £5 per sq ft rental for their premises, will be faced with massive rent increases or will simply be bought up for more lucrative office and commercial development.

There will be strong pressures on local housing estates to be decanted and sold for privatisation. House prices in general will soar in the Spitalfields and Stepney areas. Already there is evidence of this. Earlier this year, in Wilkes street, in the heart of Spitalfields, a grade 2 listed dilapidated four-storey house was marketed for £250,000. On 27 January this year, the *Daily Telegraph* reported:

"An early 19th century cottage in Woodsere St., off Brick Lane, is attracting considerable interest at £189,000. Four adjoining terraced houses—part of the same 1826 development—are being sensitively restored for sale at £225,000 to £250,000."

That is great news, but I am afraid that not many people in Spitalfields will be able to take advantage of refurbished houses at such prices.

Mr. Ron Leighton (Newham, North-East): Will my right hon. Friend consider what can be done with the £50,000 per annum for training? A YTS trainee at an institute of technology costs about £4,500 per annum. If my calculations are right, £50,000 would enable between 10 and 12 young people to be trained. Is that in any way adequate?

Mr. Shore: I am glad that my hon. Friend has made that point because it brings out the minimal contribution to the area's training needs that this section 52 agreement will allow. My hon. Friend's point about a component of the section 52 agreement could be made about virtually all of them. They are inadequate in terms of what they supply. The members of the Tower Hamlets council were taken for a ride. They could have secured a far better section 52 agreement if they had set their minds to it and been a bit more experienced in the business of looking after a council and its needs.

Mr. Spearing: Can my right hon. Friend give us some information about the Bishopsgate site? I understand that arrangements for another 2 million sq ft of office space have already been made for that empty site. Is that not enough for the area? Would it not be better to keep the present mix and ameliorate some of the problems that may come from the development? Was the decision made by a small neighbourhood committee or by the council?

Mr. Shore: The Bishopsgate development is outside the borough of Tower Hamlets but is immediately adjacent to it. Large office developments are being made in the borough and nearby.

The overall effect on the Spitalfields community of these proposed redevelopments needs an effort of imagination to comprehend. One long-term resident of Spitalfields, Mr. Ralph Samuel, put it forcefully and succinctly in an article in *The Guardian* last November when he wrote:

"It should be obvious to all but the self-deceived that to stick an international banking centre in the heart of an old artisan and market quarter, a huge complex with some 6,000 executives and subalterns, is, to put it gently, a rupture from tradition.

It drives a wedge into the heart of the district, a wall of offices separating the North from the South. It destroys the century old frontier between the East End and the City, opening up the former to the spread of banking and finance. A lot of people will lose their jobs when the market is flattened and numbers of market related businesses could be expected to go to the wall . . . the market scheme will mean a social revolution, the inversion of what Spitalfields has stood for during four centuries of Metropolitan Development".

Of course, the City of London needs new offices to accommodate the expansion of financial services, following the big bang and the internationalisation of the money markets, and to house the new technology which market makers need. But office building does not have to be, and should not be, the primary claimant on all available land in the City or its adjacent boroughs. There are other values—architectural and community—that must also be defended. The trouble is that office building is by far the most lucrative form of development in inner London. If return on capital, regardless of other

considerations, is allowed to be the arbiter of future development, not only Spitalfields but many other communities will be ripped apart.

Office rents in the City of London rose between 1979 and 1985 from just over £20 to just over £40 per sq ft—a 100 per cent. increase. Between 1985 and 1987—the period of the big bang—rents soared from just over £40 to about £75 per sq ft. Unfortunately, the official collection and publication of data on commercial floor space in London terminated in 1985. The Government thought that it was no longer a matter of public interest even to record, let alone guide and control, the number of new offices in the London area. Since then, figures have been unofficial and incomplete, but from the speech made by the chairman of the City of London planning and communications committee at Mansion house on 2 December 1987, we learnt that during 1987 a record 13 million sq ft of office space was under construction within the square mile.

In the City of London, planned development has been radically revised, as the recently adopted City of London local plan makes clear. That local plan has been accepted by the Department of the Environment. I know that that is not really a matter for the Minister of State, Ministry of Agriculture, Fisheries and Food, but I assure him that that is the case. The Department of the Environment and the Secretary of State for the Environment approved it. The City of London local plan said:

"Offices are the predominant land use in the City forming 65·5 million sq. ft., 68 per cent. of all floor space . . .

For the City to continue and expand as an international financial centre it must be able to provide accommodation that meets the changing needs of the financial services centre. The Corporation intends that office developments be encouraged so as to cater for these requirements."

The office boom has not been confined to the City of London. Substantial new office developments have taken place in virtually all adjacent boroughs. My hon. Friend the Member for Newham, South has already referred to the great development at Bishopsgate, which I understand is a development of 4 million sq ft. In Tower Hamlets 10 million sq ft are to be developed in the Canary Wharf development. I am sure hon. Members on both sides of the House saw the picture of the Prime Minister yesterday sitting on a mechanical piledriver—an appropriate instrument for her to control—digging the foundations for that development, which is now under way. The docklands light railway is now being extended to the Bank to provide direct communications with the City. Given the exuberance of the office building boom and the substantial setback that black Monday brought to the expansion of financial services, I do not know whether there will soon be an over-supply of office accommodation; but I have seen a confidential report, which cost the Tower Hamlets council £5,000. It was never published or followed up, but it showed that, in the view of the consultants who were asked to report on the matter, there was a gloomy prospect of the dangers of over-supply outside the square mile and in the Spitalfields development.

We no longer have the base of information, following the Government's abandonment of the collection of official information, by which we can seriously judge. But I am clear on one point: the 800,000 sq ft of new office space that the Spitalfields development group is to build on the Spitalfields market site will have only a marginal effect on the total supply of new offices in central London, but a most devastating effect on Spitalfields.

It is wrong that a development of such size and importance as that described in the Spitalfields development group plan for Spitalfields market should be decided by a group of inexperienced and short-sighted councillors in Tower Hamlets, by the City of London corporation and by the Spitalfields development group. Within such a group the overriding consideration is not the welfare of the people who live in the area, but financial gain. For the City of London, the owner of Spiltalfields market, the gains are enormous. From the sale of the long-term lease of Spitalfields market it will receive more than £60 million. The cost of constructing the new market and of obtaining the alternative site in Temple Mills is worth a further £34·5 million. And that is not all. The City of London corporation will receive an initial ground rent of £500,000 a year, which is about twice what it is getting from the existing rentals of Spitalfields market, rising to 5 per cent. of the rack rental of the offices, when they are developed. That is estimated to be worth about £2 million a year when development is complete.

The prospect of such rewards does not exactly encourage cool and disinterested judgment of what is best for the development of Spitalfields. For the Spitalfields development group the rewards are unknown. The group has been coy about gains and costs. The financial and property press speaks of a £500 million urban redevelopment scheme. Twelve international banks have each provided more than £26 million in loans, totalling about £315 million, to underwrite the Spitalfields development group's venture. The developers are to provide £175 million, adding up to a total of £500 million. If the City of London is to be provided with the £94 million in cash and assets that I have mentioned, and an annual £2 million of the ongoing profits from office development, there must be large rewards for the Spitalfields development group. The planning gain for Tower Hamlets is estimated at between £18 million and £20 million.

The most culpable parties to this story are Tower Hamlets council and the Secretary of State for the Environment. The council should not have given planning permission and, knowing the importance of this site, the Secretary of State should have called in the redevelopment plan for Spitalfields market, appointed an inspector and made sure that the various possibilities for the redevelopment of the site were fully and impartially considered. The public inquiry should also have considered the cases for and against the retention of the existing market, the alternatives for its relocation, and the general strategy for market development in London.

Instead, the Secretary of State has been supine and inactive. Today, he wrote to tell me that, now that all the planning procedures have gone through, he no longer has a role to play. He has written himself out of the script of the redevelopment of Spitalfields and left all the decisions to the pull of market forces and the test of profit. Covent Garden was called in, as was Coin street—but not Spitalfields. This is a classic example of the Government's inner city policy.

For all those reasons, my hon. Friends and I have tabled a reasoned amendment declining to give a Second Reading to a Bill

"which authorises the transfer of the Spitalfields Market to a different site without any previous public inquiry either into the merits of such a transfer or into the most beneficial way of redeveloping the vacated site."

[Mr. Shore]

It is for those reasons also that we tabled the three separate instructions to the Committee.

8.16 pm

Mr. Robert G. Hughes (Harrow, West): I listened with great interest to the speech of the right hon. Member for Bethnal Green and Stepney (Mr. Shore), who is the local Member for Spitalfields. It took us back in the history of major projects and ideas for London. It was a study in negativism, claiming that if only we had a bit more time we could do something rather better. It was a study, too, of why the Labour party, which, for most of Tower Hamlets' existence, was unopposed on the council—candidates were often unopposed when standing for the council—now has a minority of seats on it. Labour Members did not understand why that happened, and the right hon. Gentleman's speech led me to believe that they still do not understand why.

I could not understand from the right hon. Gentleman's protracted remarks of whom he is supposed to be in favour. Who is he trying to protect? In whose interests was he speaking—the market traders? Plainly not. We know that they want to go to the new market at Temple Mills. Now that the objection from Covent Garden has been withdrawn—that is welcome—we have heard that without the new development at Temple Mills the market trade in London is likely to suffer. Perhaps the people of London would also suffer——

Mr. Tony Banks: I hope that, during his perambulations, the hon. Gentleman will come to the problem of Newham, because if I am lucky enough to catch the Deputy Speaker's eye I shall speak about the market interests of the traders in Stratford. I hope the hon. Gentleman will bear them in mind.

Mr. Hughes: The right hon. Member for Bethnal Green and Stepney spoke for nearly an hour. I have been on my feet for only two minutes, so I make no apology for not having reached the point in which the hon. Gentleman is particularly interested, but I shall come to that.

The right hon. Gentleman's speech was not in the interests of the local people of Spitalfields who we now hear have not opposed the Bill. Was it in the interests of the people of Hackney and Waltham Forest? This is particularly interesting in terms of Labour party politics. Where are the hon. Members for Hackney? I suspect that they support the scheme and welcome the 6,000 jobs that will come to their area. We may well hear from the hon. Member for Leyton (Mr. Cohen), who was in the Chamber earlier. I understand that, with a few reservations, he supports the scheme. I understand that the Labour-controlled Waltham Forest council supports the scheme. Only a few people from one part of London are against it.

Mr. Leighton: We are all listening with great suspense and interest to the hon. Gentleman's fascinating statement. He says that Hackney will get 6,000 jobs. That is a nice round figure which he has obviously researched carefully. Can he explain exactly what those 6,000 jobs will be and when they will arrive?

Mr. Hughes: It is for the hon. Gentleman to make his speech. We have been hearing—*[Interruption.]* Does the hon. Gentleman want an answer?

Mr. Leighton: Yes.

Mr. Hughes: We have been hearing negative remarks about the jobs coming in. I suppose that the 36,000 jobs created in the London Docklands development corporation area are also a myth. Presumably they have not arrived. Presumably no one is working in that area.

Mr. Leighton *rose*—

Mr. Hughes: No, I shall not give way on that point. I want to move on to my next point.

Mr. Leighton: Does the hon. Gentleman want the information?

Mr. Hughes: Yes, I shall certainly give way.

Mr. Leighton: The hon. Gentleman has conjured out of the air 6,000 jobs for Hackney. He is now telling us that 36,000 jobs have been created in London Docklands. The LDDC commissioned a report from Peat Marwick McLintock, a prestigious group of consultants, and those consultants looked into precisely that point. In paragraph 6(1) of their report they said:

"Its efforts"—

in trying to get employment—

"have met with limited success. Indeed, as we noted earlier there are now over 1,000 more unemployed people in Docklands than in 1981."

Where are those 36,000 new jobs? They do not exist.

Mr. Hughes: I listened carefully to the hon. Gentleman's precise words and I urge people to compare my point with his response. Not one thing that the hon. Gentleman has said contradicts my statistics. He merely moves on to something else.

This is a vendetta against the City corporation. It is a knee-jerk——

Ms. Gordon *rose*——

Mr. Hughes: I shall give way, but I should like to finish one point.

Ms. Gordon: Six years of the London Docklands development corporation have resulted in a net loss of jobs. Most of the jobs were transferred from Billingsgate and Fleet street. Some jobs were created but so many local firms were squeezed out by compulsory purchase orders that the final result was net loss of jobs. The hon. Gentleman's figures are not correct.

Mr. Hughes: The hon. Lady really must keep up. I had moved on to the next point, having dealt satisfactorily with that matter. If she would like to try to keep up with the game, we shall try to answer her points.

This is a knee-jerk reaction by the Labour party. We have seen it often against anything that it does not control: if the Labour party cannot control something, it is not worth having.

The right hon. Member for Bethnal Green and Stepney told us that he would address part of his remarks to what was going to happen on the Spitalfields site, suggesting that my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg) had neglected to do so. I listened carefully to what he said, but we did not hear one solid reason why the Spitalfields site should not be

redeveloped. We did not hear one well-argued objection to what is proposed for that site. Nor did we hear any constructive analysis of what will happen on that site. I listened carefully to what the right hon. Gentleman said, but on those points he said nothing constructive.

The Labour party accuses Conservative Members of talking glibly about inner city regeneration Opposition Members say that we have no plans for the inner city. The answer is simply that when a scheme such as this comes along we take a positive attitude towards it. We look at such schemes and ask whether they can provide something new for the people of London. It is the Labour party which has a negative attitude.

Spitalfields has a varied and multiracial population which forms the seeds of a thriving community. I accept that there is poverty and deprivation, but with the seeds of a thriving community it deserves the opportunity that the scheme will provide. For years its people have been either patronised or ignored—I refer in particular to the Bengali community—by the Labour party. Hon. Members on both sides of the House would agree that the treatment of those people by the Liberal council has been shameful. Both parties who have controlled Tower Hamlets council have treated them shamefully. The Bill, provides many opportunities for them. It provides opportunities for London and for the local people.

Mr. Tony Banks: It says here.

Mr. Hughes: Yes, in my notes.

We heard some rather shide comments from the right hon. Member for Bethnal Green and Stepney about the £2·5 million net in rents that will come into the City of London from this development each year. But he neglects to tell the House that 80 per cent. of the money that comes into the City of London corporation is redistributed to London boroughs. Boroughs such as Tower Hamlets and Hackney will be the beneficiaries of the £2·5 million per year. That money is not going just to the City of London corporation.

What we have seen displayed tonight, and I am confident we shall see it displayed a lot more, is a consistent lack of vision by the Opposition—a lack of vision which means that they always try to oppose anything done by the London Docklands development corporation. They have suggested that few or no opportunities for work have been created. Presumably they do not accept that one quarter of the houses and flats built there are now occupied by people who were previously council tenants. Presumably the self-build schemes do not involve council tenants or people who were on council waiting lists.

Mr. Spearing: The hon. Gentleman may know that half the area of the LDDC is in my constituency. The first occupants of houses built by the LDDC may have come within his category, but is he aware that it is virtually impossible for any of my constituents to buy a new house in that area because they have gone up so much in value? People have been made homeless and cannot stay there. Children of families who have lived in the area for generations are being priced out by the very mechanism that he is advocating.

Mr. Hughes: It is rich for Labour Members to talk about the lack of opportunity for people in the inner cities. Probably the majority of real east enders do not live in the east end any more because of the lack of opportunities provided by the Labour party when it was in government. There were no houses to buy, so they moved out to the new towns and to places such as Upminster.

When I was involved with Stepney and Poplar as my party's candidate, 16 new maisonettes were put on the market by the GLC and 3,000 people queued to buy them. People who, according to the right hon. Member for Bethnal Green and Stepney, did not want to buy their own homes voted with their feet and got out. The opportunities were never available then, and they may not be now, but certainly the Labour party is in no position to complain that they were not available.

That brings me to a point that I wanted to make about the LDDC. In 1979 I was my party's candidate against the right hon. Member for Bethnal Green and Stepney. At the beginning of the election campaign on the Isle of Dogs —which was then in the right hon. Gentleman's constituency—I spoke to the George Green residents and tenants association. I made a promise that made the members of that association fall about laughing. They thought that I was lying. They said that I was making election bribes which could never be carried out.

I said that within 10 years there would be a new train line to their area. I am sure that no hon. Member would deny that there is now a magnificent mass transit system to the Isle of Dogs. I submit to the right hon. Gentleman, who said that the LDDC had brought nothing to his area, that that might have been a substantial gain to residents who had previously felt trapped on the Isle of Dogs.

This is another example of a major scheme that will bring great benefits to the people of the area. The Labour party again says, "Wait—wait for a strategic plan." There was always a new false dawn with the LDDC, the derelict areas of dockland and the Isle of Dogs, but never a proper scheme with any chance of succeeding. This is a scheme which will succeed; a scheme which will bring benefits to the people of Spitalfields. I believe that it will be widely welcomed by them, by the trade and by the people of London, and that it will bring great benefits to all but the narrow interests of the Labour party.

8.32 pm

Ms. Mildred Gordon (Bow and Poplar): The hon. Member for Harrow, West (Mr. Hughes) keeps referring to negative attitudes. The real negative attitude is the naked greed of pinstriped men who lust for profits, and once again propose to blight the east end of London.

Mine is the neighbouring constituency to that of my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore). I was born in his constituency, and I have a special interest in Spitalfields. My father was a councillor for Spitalfields, East; many of my school friends lived in Spitalfields, and I would go there to visit them and play. My sister went to Central Foundation school, which was in Spital square. I therefore know the area well, and have always considered it very special.

Even when very young, we knew of the Huguenots who had sought refuge there. We saw their buildings, with the large windows to let in light for silk weaving, and the mulberry trees in the yards where the silkworms grew. Spitalfields market was also a large part of our lives. The market received its charter in the 17th century. It is very successful, with trade totalling over £180 million in 1987, and it is fully occupied. In 1984-85, 42 of the traders had

[Ms. Mildred Gordon]

a turnover of over £1 million each, and 78 per cent. reported that their trade was improving. It is not a dying market, but a flourishing market.

There are many new dealers in ethnic food, such as vegetables imported from Kenya, and that side of trading is thriving and growing. The market supplies Bengali shops, for instance. No account has been taken of the fact that trade has arisen because of the needs of the local community. It supplies the majority of the vegetables that form a large part of their diet, food that is not readily available elsewhere.

Mr. Michael Jack (Fylde): Does the hon. Lady agree that the existing Spitalfields market does not contain the necessary facilities—cold storage or ethylene ripening facilities, for example—to accommodate the further development of the trade to which she has referred?

Ms. Gordon: I do not have the details, but I see no reason why the existing market cannot be improved. There are problems. Improvement is needed in cleaning and the removal of waste, and in the access roads. But there is no reason why the local authority cannot deal with improved cleaning facilities, for instance.

The traders have been faced with a fait accompli. The initiative has come wholly from big business. The proposal that the market should be relocated at Temple Mills, and that the site should be redeveloped, is prompted by the value of the site. The Bill has nothing to do with the condition of the market and whether it can be improved. Behind the proposal is the value of the site to the City of London corporation, and the hundreds of millions of pounds that will be made out of it by the developers.

Mr. Hugo Summerson (Walthamstow): Will the hon. Lady contrast the "lust for profit of the pinstriped men in the City" with the doubtless large profits that the market traders of Spitalfields are making?

Ms. Gordon: The profit that the traders in Spitalfields market are making is a mere fleabite compared with those of big business. They are not damaging the lives of local people, as the proposed developments will harm the community.

There is no knowing how the move to Temple Mills will affect the Spitalfields traders. There is no knowing how it will affect the fruit and vegetable dealers in the many smaller retail markets in the east end—and there are many such markets dotted all over the east end. People travel from miles around, not just from the east end, to get cheap fruit and vegetables. The development will be detrimental to those in the east end, Hackney and the surrounding areas. We also do not know how the move will affect traders in Stratford, but no doubt my hon. Friends who represent the other areas that will be affected by the move will deal with that.

One of the reasons given for pulling down the market is the problem of traffic. If the proposed developments are built, traffic problems in the small medieval streets around Spitalfields will be immense. That is a false argument. Spitalfields is a unique and historic area, with a high degree of social and communal cohesion. There has always been racial tolerance. It must be the only area where a building can be found that was a place of worship for the Huguenots, became a place of worship for Jewish refugees and is now a mosque. It is also an area of industry and enterprise. The majority of residents live within 10 minutes of their place of work, but that will be changed if the new development is allowed to go ahead.

I have unfortunately seen the results of the beginning of a development in my constituency, where the land is being regenerated and the community is being destroyed. That will be the pattern in Spitalfields if we allow the market to be pulled down and redevelopment to go ahead.

The local community live, work, go to school, shop and have their cultural and religious needs met within the small area of Spitalfields. The area will be changed out of all recognition by the new proposals. The proposed relocation of the market development will pose a serious threat to the continued existence of the present community.

The developers claim to be concerned about Spitalfields' heritage and its historic character. This is not just a matter of individual buildings, some of which are beautiful and date from the 18th century; it is a matter of the unique mixture of work, home, market and trades. The area's inheritance is under threat.

My right hon. Friend the Member for Bethnal Green and Stepney has already mentioned the high unemployment rate of over 24 per cent. within Spitalfields. The Home Affairs Select Committee report on Bengalis in Britain said that this figure is likely to conceal a higher rate. As my right hon. Friend has said, the jobs that exist centre around the clothing and leather industry, and work in the market, in the shops and the cafés around it. Jobs will not be created by the new development; they will be squeezed out.

I have received case after case concerning small firms on the Isle of Dogs that employ local labour in the type of jobs for which the local people have been trained being squeezed out. Only today I received a letter from Limehouse Studios. In 1985 that company signed a new lease with the LDDC for 200 years. Now it has been informed by the LDDC that it is to be compulsorily purchased. That is a typical example of what has happened in that area and that is what will happen to artisan workshops and small businesses in Spitalfields if the Bill goes ahead.

Mr. Spearing: That example of the juggernaut of the LDDC must be compared with the fact that the Canary Wharf development was not called in for consideration. The Prime Minister was in the area yesterday. Was my hon. Friend able to tell her about Limehouse Studios? Was she able to point out that the sort of things that are happening in Spitalfields, Canary Wharf and on the Isle of Dogs are not welcome?

Ms. Gordon: I knew about the Prime Minister's visit to Canary Wharf and the earlier visit by Lord Young only from the newspapers. I was neither invited nor informed. Indeed, the mayor and the leader of the council were not informed. I believe that they walked out of a banquet in Whitehall to which they had been invited when they found out what had happened at Canary Wharf. We can expect more such behaviour in the future.

Mr. Tony Banks: My hon. Friend has just revealed that the Prime Minister acted most discourteously by not informing the constituency Member of her visit. I assume that my hon. Friend will accept that the Prime Minister

must be rather careful. She is so unpopular that she is a positive incitement to violence on the streets. Therefore, she must keep her visits quiet until they have taken place.

Ms. Gordon: I take my hon. Friend's point. I must also inform my hon. Friends that Lord Young's visit was not disclosed——

Mr. Banks: He is even more unpopular!

Ms. Gordon: We must also take into account that the Canary Wharf development is unpopular with the community and that everything to do with it is shrouded in secrecy. The local people are not told what is happening in case they express their opinions in the usual east end manner.

The shops that will be built in the new development will not be those that are needed. The regulations have already been changed and the class of use has been changed to enable banks, building societies, travel agents and estate agents to be included. Sadly a beautiful old place that used to make scales—I believe that was in Paxton street—has gone out of business. It has been replaced by a new faceless computer office.

Workshops will be undermined by the rapid rise in land values that will ensue. The one thing that the people of Spitalfields and of the east end do not need is more office space. My right hon. Friend the Member for Bethnal Green and Stepney has already said that 27 million sq ft of office space is in the pipeline for London. Within 30 yards of the boundary of Spitalfields we can see the towering mass of the Broadgate development, which is currently under construction. That will provide about 4 million sq ft of office space. Canary Wharf will give us a further 6 million sq ft. I do not know who will occupy all those offices. Perhaps they will stay empty as their values rise, as we saw with the Centre Point development in London.

The area needs developing. There is need, not for offices, but for economically priced rented accommodation, for improved workshops and for environmental improvements that will benefit the community. There has been talk about the Liberal council negotiating a community gain. The community gain that it negotiated with the billionaire company Olympia and York on Canary Wharf was pathetic—£50,000 a year for training. The community gain for training that is attached to the Spitalfields package, should it be put into effect—I hope that it never will be—will be £250,000 over five years. It has already been pointed out that that will be less than the cost of a small house. What type of training will be provided for that? It is derisory and despicable.

Part of the community gain is the contemptible proposal for only 118 residential units on this 12 to 14 acre site. Such provision is derisory when one considers local need. Indeed, most of those units will be one or two-bedroomed units. The families in that area are large and they need four or five-bedroomed houses. The residential units will not be for them. The corporation has also told Tower Hamlets council that it wishes to have nomination rights for some of the housing. How much will that benefit local people? Not more than would go in the corner of a tooth.

The area will be turned into a ghost town. There will be a park provided and no doubt it will be full of office workers at lunch time, but it will be empty after dark and people will be afraid to go into it.

If the Bill is agreed, the sky will be the limit for land values. In Wapping, less than half a mile from Spitalfields, the price is currently £20 million an acre. That is almost unbelievable. The professional gentrifiers have already moved into Spitalfields with the yuppies in their wake.

A few weeks ago, when I was doing a television programme, one of the executives introduced himself to me and said that he lived in the neighbourhood next to my constituency. He told me that he had bought a house in Woodseer street. I expressed surprise and he told me that he had bought his house three years ago and that he had paid £52,000 for it. He said, "Islington is finished." I think that sums it up: Spitalfields is the next place for the takeover.

What will happen to the local people after the takeover? They will be priced out of the area. A very vulnerable local community will be forced out. It is worth noting that the £52,000 house is now worth nearly £200,000. My right hon. Friend the Member for Bethnal Green and Stepney read out some house prices, and they are soaring. If the Bill goes ahead, the same things will happen to the people of Spitalfields as have happened to the people on the Isle of Dogs. All this is even before the development begins. Flats on rundown housing estates are selling for £60,000 when the average wage of local people in the area is £100 or less. What chance do they have in this melee?

Mr. Spearing: Is not the silence of the Prime Minister and her activities possibly related to her inner city policy? Is not what my hon. Friend is describing the real inner city policy of the Prime Minister, which is colonisation by the people she likes whom she described on election night as "our sort of people"? Is that not the hidden agenda of her inner city policy for London?

Ms. Gordon: I agree entirely with my hon. Friend. The right hon Member for Henley (Mr. Heseltine) was reported in *The Daily Telegraph*—or perhaps it was in an article that he wrote for *The Daily Telegraph*—as suggesting that we need more charitable donations to solve the problems of the inner cities. He said that we must honour the men who built the workhouses. Is that supposed to be the future for the unfortunate people of east London? Do we want to bring the workhouse syndrome back to the area? The Government honour the people who built the workhouses, not those who achieved the biggest slum clearance in Europe. A Labour council built 84,000 housing units, but the Government honour those who built the workhouses.

Most of the community gains do not meet the needs of the people in Spitalfields and the adjoining areas. We need a strategy that begins to address the problem of inner city deprivation and regeneration, with social and economic responsibility. The social effect of regeneration in the American cities, the model on which this type of development is based, has been to increase poverty, to displace the local population and to create more deprivation and despair among the ethnic groups, but it has created no jobs and very little housing or other benefits for working people or for ethnic minorities.

For those reasons, the House should be examining alternative developments which will reflect the interests and needs of the people of Spitalfields and not those of the business men in the City of London. For those reasons, I support the instruction.

8.52 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. John Selwyn Gummer): I thank the right hon. Member for Bethnal Green and Stepney (Mr. Shore) for the generous way in which he suggested that I was an unsuitable Minister to intervene in the debate. I shall explain to him why I intervene to explain the Government's view on the Bill, and perhaps comment on one or two of the things that have been said, in a way that I hope he will find helpful.

In the traditional way, the Government are taking a neutral stance on the Bill, for it is a private Bill. If the House decides to give it a Second Reading, no doubt it will proceed in the normal way to question, to argue, and to seek to provide from it the kind of Bill that hon. Members want.

The Bill has obvious implications for horticultural marketing in London. Therefore, it is a Bill which should most properly be considered by the Ministry of Agriculture, Fisheries and Food, not least because marketing is of increasing importance in agriculture. We have moved from a period when production was king to a period in which effective selling has become increasingly important. The market in the big centre has great importance in that. Therefore, I believe that it would be wrong to suggest that the Bill can be discussed only from the point of view of planning in the way which some hon. Members have sought to do so far. As I understand it, the Bill is concerned with the better marketing of horticultural produce and addresses itself to those problems.

There have been concerns, particularly from the Covent Garden market, that the changes might in some way affect the situation there, but I am happy to hear that those problems have been overcome and that the objection by that market to the Bill has been withdrawn. I am sure that the House also will be aware of the withdrawal of the objections from the Transport and General Workers Union. Again, it is natural that I am concerned with that, as the Transport and General Workers Union represents a majority of agricultural and other workers who are unionised. That, too, is of considerable importance to the House.

I am a little concerned about the question raised by the right hon. Member for Bethnal Green and Stepney about calling in the planning proposals. I should have thought that, if he felt so strongly and, indeed, if the hon. Member for Bow and Poplar (Ms. Gordon) had also felt that strongly, they might at the appropriate time have asked the Secretary of State to call in the proposal.

I have some experience of that procedure because I have recently had to do precisely that in my constituency. I found out the date by which such a request had to be made and I sought to get the Secretary of State to call in a particularly objectionable proposal. I am happy to say that I succeeded. However, I had to get in my objection in time. The right hon. Gentleman did not do so. He felt strongly about it, but he put forward no objection. As the House has been asked to deal with the scheme on a planning basis, it is reasonable to say that if an objection has not been brought by the local Member of Parliament, perhaps it is reasonable for the Secretary of State to believe that he should not call it in.

Mr. Tony Banks: The Minister might be interested to know that the London borough of Newham did precisely that. It asked the Department of the Environment to call in the whole development and the move of the market to Temple Mills. It was refused completely by the Department.

Mr. Gummer: I am sure that what the hon. Gentleman said is true. I was remarking that it did not seem to be quite such a matter of urgency and concern to the right hon. Member for Bethnal Green and Stepney or indeed to his neighbouring Members of Parliament if they did not feel it necessary to do that, particularly considering their view of the quality of Tower Hamlets council. I am in some difficulty here for I do not wish to intrude upon private grief. I do not have, from my memory of the days when Tower Hamlets was run by the Labour party, a brief for Tower Hamlets council in general. It seems to me that much of the deprivation in Tower Hamlets is the result of one of the worst planning systems and sets of attitudes over 40 years that can be imagined.

I remember that when I was a member of the Inner London education authority it was impossible to get teachers because Tower Hamlets borough council did not believe in building houses for sale. It wanted to municipalise the area, and it has done so, with the result that the mix of population has been destroyed and there is very little chance of it returning. The history of Tower Hamlets borough council is not so great as some would have us believe. The present borough council has procedures that some may find unusual, but it has been elected and has reached a decision.

I find it difficult to believe that the right hon. Member for Bethnal Green and Stepney would have been so enthusiastic about his condemnation of my right hon. Friend the Secretary of State had a Labour council reached that decision. If a Labour council had made such a planning decision, I wonder whether the right hon. Gentleman would have been quite so concerned about the impropriety of not calling in the application. I suspect that he is more concerned about internal political arguments after the surprising—to the Opposition—change in Tower Hamlets.

Mr. Spearing: Just to reinforce what my hon. Friend the Member for Newham, North-West (Mr. Banks) said about Newham, does the right hon. Gentleman not realise that both my hon. Friend and I asked for the Canary Wharf application to be called in? The Secretary of State did not call in that application, either. Does it not suggest that there is a lack of sensitivity in the Department of the Environment and among Ministers about controversial matters that affect London boroughs?

Mr. Gummer: It has been suggested that there have been differences of opinion between Ministers in the Department of the Environment and those in the Ministry of Agriculture, Fisheries and Food. I am happy to say that on this point, as on all points, I am entirely of the opinion that my right hon. Friend the Secretary of State is right.

I listened to the speeches of the right hon. Member for Bethnal Green and Stepney and the hon. Member for Bow and Poplar. Then I listened to the interventions of the hon. Member for Newham, South (Mr. Spearing) and was struck by the fact that it was all a matter of saying no, which was very sad. Then I asked myself why the London Docklands development corporation was set up. It was set up because nobody was doing anything. There was no chance of getting any policy through. Every plan to use the

area in a way that any sensible city would use it was destroyed by inter-borough rivalry and Socialist dogma. My right hon. Friend was right to set up the LDDC to ensure that something is done that will be very much the envy of the rest of Europe and the world.

Sir Geoffrey Finsberg: Does my right hon. Friend also agree that it was the inactivity of the London county council, the Greater London council and the London Labour boroughs that caused 20 or 30 years of dereliction and that it was my right hon. Friend the Member for Henley (Mr. Heseltine) who, together with Bob Mellish, got the London Docklands development corporation working? I do not know of a better Londoner than Bob Mellish.

Mr. Deputy Speaker (Sir Paul Dean): Order. We seem to be straying from the confines of the Bill.

Mr. Gummer: I am sorry that we should have done so, but I think that you, Mr. Deputy Speaker, will agree that a parallel was drawn between the development of this important site and the development of another important site nearby. I shall not be led further down that road, apart from saying that the right hon. Member for Bethnal Green and Stepney said how sad it was that the GLC had disappeared and how useful it would have been in these circumstances. It is the first time since the abolition of the GLC that I have heard anybody remember that we ever had a Greater London council.

Mr. Tony Banks: Silly little man.

Mr. Gummer: The hon. Gentleman who has just shouted out is a——

Ms. Gordon: Will the right hon. Gentleman give way?

Mr. Gummer: I am happy to give way to the hon. Lady.

Ms. Gordon: I see people in my surgery weekly and receive letters almost daily from people who want housing transfers but who have to be told that because the GLC no longer exists there is absolutely no chance of their getting a transfer.

Mr. Deputy Speaker: Order. We must return to discussing the Bill. Time is very short.

Mr. Gummer: The transfer of this market to another site is a matter of concern to the planning authorities. Both the planning authorities involved have given planning permission. Waltham Forest gave planning permission in October 1986. Planning permission was given by Tower Hamlets last year. It is for a mixed development on the Spitalfields market site, comprising mainly offices, with 238 residential units, retail use for small businesses, a museum and open spaces and restaurants, subject to a number of conditions.

I hope that the House will decide whether the future site will be better than the existing one. I do not think that we can follow the line of the hon. Member for Bow and Poplar, that we do not know whether this will work. That is one of the problems of any change. We must decide whether it is worth giving the proposal a chance. We ought not to be led astray by visions of naked and pinstriped people lusting for whatever it may be; how they are both I am not sure. I had better not go down that avenue, Mr. Deputy Speaker.

It would perhaps be better to consider the Bill in a calm atmosphere and to put aside local party political differences, and the sad vendetta against those who make money, most of which goes to the benefit of other boroughs in London. It is those on whom our welfare services depend. It is only the wealth creation of the people of Britain that enables us to provide any of the housing for the hon. Lady's constituents, or any of the health and welfare services that we provide. Sometimes I think that those who are so generous in their attack on those who make money should remember that most other countries would be very pleased to have a financial centre of the strength and value of the City of London. Very few people shout about that in this country, but foreigners would like to have the strength and money that comes from the City.

The hon. Member for Newham, North-West (Mr. Banks) only shouts from a sedentary position. He has not been in the debate. The House has got used to listening to the hon. Gentleman; either he lectures us for far too long or he shouts from a sedentary position.

The Bill ought to be considered on its merits rather than against any dogmatic background. There were a number of petitioners against the Bill. Some have withdrawn their objections. We ought to ask ourselves whether it would be reasonable to allow the Bill to go to a Committee, where the petitioners would be able to put their cases. The Committee would be in a much better position than we are to examine the issues involved and to ensure that the interests of the petitioners are safeguarded. It would have the added advantage of expert advice.

The detailed arguments about the Bill must be worked out, as is customary, by the private interests involved. I hope very much that the House will feel it reasonable to give the Bill a Second Reading and to allow it to proceed in the usual way to a Committee for detailed consideration of the issues involved.

I would be sad if, given the horticultural needs and the use of markets in a modern world, when all kinds of new equipment, proper refrigeration, properly cleaned areas and hygiene have become more important, the consideration of the Bill should cease to be about that and instead become embroiled and enmeshed in a series of arguments that sound like arguments we have heard for 40 to 50 years. In a sense, those arguments remind us that much of the dereliction in London and the deprivation of London's people has been the result of out-of-date Socialist and Marxist councils.

9.8 pm

Mr. Ron Davies (Caerphilly): I am intensely disappointed with the Minister's response. His last comments do him and his office no good at all.

There is no doubt that the central issue this evening is not the relocation of Spitalfields market but the nature of the communities that will be affected by the development and the changes that will be inflicted on those communities if the proposed market relocation goes ahead. There is no doubt where the Government stand on that issue. Clearly, they will support it, despite the fact that at no time during the debate have more than 10 Conservative Members been present. I have no doubt that, if hon. Members vote on it, Conservative supporters of the Bill will appear out of the woodwork, bars, dining rooms and whatever. The

[Mr. Ron Davies]

Government will have enough supporters to get the measure through the House—at least on a strong unofficial lobby. That will bring the House into disrepute.

I am sorry that the Minister has not replied to any of the real issues that have been raised. I understand that he is not in a position to do so. The issues relate to inner city development, economic policy, investment and the strength and viability of inner city communities. They also affect the strength of ethnic groupings. My hon. Friends who represent inner city areas are concerned with such issues. Of course, the portfolio of the Minister of State, Ministry of Agriculture, Fisheries and Food does not allow him to reply to such issues. Perhaps he will explain why that is so.

Mr. Gummer: Perhaps the hon. Gentleman will explain why, if they are the issues, the Labour party has put forward its agriculture spokesman to answer the debate.

Mr. Davies: The Minister knows as well as I do that I stand here precisely because he stands there. It was the Government's choice to put forward an agriculture Minister to reply to the debate. I am the shadow agriculture spokesman. I wish that it were the other way round, and I were the Minister. I assure the House that, if I could choose who should reply to the debate, it would not be the Minister; it would be one of the new Ministers who were trailed after the 1987 election, when the Prime Minister said, "We must now go for the inner cities." Glib promises were made by Ministers with inner city responsibilities. I would call one of them to the Dispatch Box to answer the debate.

The Minister had an opportunity to make his own speech. He neglected to do so. He missed his opportunity. I have given way to him, and I shall do so again, but he must make up his mind. I have my own speech, and I intend to make it. I shall accept interventions from the Minister when I directly refer to him, but he must recognise that he has missed his chance.

Mr. Gummer: It is up to the Opposition to decide who to put forward to speak. The only reason the hon. Gentleman makes his speech in such a way is that the right hon. Member for Bethnal Green and Stepney (Mr. Shore), having failed to ask for a certain planning operation to be called in, is trying to make up for his constituents——

Mr. Deputy Speaker: Order. I hope that we can now leave substance and shadow and get on to the Bill.

Mr. Davies: I am sure that the House recognises that there are well-established precedents. There are procedures to be followed. Hon. Members know why the Minister is here this evening.

The hon. Member for Hampstead and Highgate (Sir G. Finsberg) should be congratulated. There is no doubt that there is a case to be made. There is no doubt also that he presented that case as well as it could be presented. Of course, on one or two occasions, he lapsed and attempted to vent some political spleen, but my hon. Friends were tolerant and did not respond. My congratulations are sincere. There is a case to be made, and he made it.

Of course, there is an alternative case. I thank my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore) who, in his analytical approach, dissected and dispatched the case. He was well supported by my hon. Friend the Member for Bow and Poplar (Ms. Gordon). They widened the debate. The debate is much wider than the relocation of Spitalfields market.

I suspect that the Minister of State, Ministry of Agriculture, Fisheries and Food has replied to the debate this evening because the Government do not wish the debate to be widened. They want to restrict it, and to be seen to be restricting it, to issues relating to Spitalfields market. But the issues are much wider than that, and it is when they are challenged on the consequences of the move from Spitalfields that they are most vulnerable.

I am sure that most of my hon. Friends view with very grave concern the developing practice of using private Bill procedures, wherever possible, not only to circumvent proper planning procedures, when necessary, but also, as we see this evening, to avoid a proper, searching public examination of the issues involved.

I went to the Library yesterday for a list of private Bills introduced during this Session. The list is too long to read out this evening. That is a measure of the extent to which the House of Commons is being used by individuals for private interests. Legislation is being presented to the House of Commons to circumvent the normal planning process and to ensure that the planning issues, or the issues of economic or community development, are not explored in a rational forum and assessed by independent planning inspectors, but are made subjects of political debate in the House. The sad consequence is that unless the Bills pass through unopposed they become the subject of political controversy that will be resolved only by the Government's wheeling out their payroll vote. All the contentious issues that we have debated in the House in recent years have been resolved only when the Government have decided to use the payroll vote to expedite the matter.

Sir Geoffrey Finsberg: I should not like the hon. Gentleman to be under any misapprehension. This Bill has nothing to do with the planning process. That has been dealt with by the local authorities already.

Mr. Davies: I am fully aware of those issues and I fully understand that, even if there were a consensus, a Bill would have to be presented to the House to allow the move. My case is that no real attempt has been made to reach that consensus or to satisfy the very real needs of those communities, which are crying out in the torture that they are experiencing in the grotesque juxtaposition in which they find themselves—levels of poverty, which most hon. Members do not believe exist, side by side with the gross affluence that we have come to associate with the City of London. Those are the issues that should have been resolved before the Bill was presented to the House. I am sure that the matter would then have been dealt with in a very different way.

We must recognise that, however desirable that might be, it is not the case. We have to look at the controversies. We have to look at the events in this Chamber last night when we discovered that the chairman of Associated British Ports had been to visit the Prime Minister to ensure that the Associated British Ports (No. 2) Bill, on behalf of a privatised company, no doubt with funds flowing into Tory coffers, had her personal assistance in delivering the payroll vote.

We well remember the events of the Felixstowe Dock and Railway Bill, with P and O pouring money into the Tory party and laying on champagne receptions to get the Tories here for the vote.

In my own part of the country, we have the Cardiff bay development. I shall not stray too far, Mr. Deputy Speaker, but it is relevant to this debate, because we have that intermingling of public and private funds, we have the Tory party and Government Ministers involved and, in the case of the Cardiff bay development corporation, a high Welsh Tory—there are not many of them, so all of them have to be high—appointed to public office by his brother-in-law, the Secretary of State for Wales. That is the intermingling of interests that concerns us all—the intermingling of Government and private funds, the private Bill procedure, and the Government machine getting those matters through the House of Commons.

We know where the party lines are on the Spitalfields issue. Unfortunately, there are party lines because the promoters of the Bill have not sought a consensus. We know that Tory Members will come to vote, not because they are concerned about Spitalfields market but because they know where their duty lies—supporting their friends in the City of London. They will do their duty this evening. We are all concerned because the Government cannot decide where the boundary lies between the national interest, the Government interest and the interest of the Conservative party. They seem to think that all three interests are indivisible.

My right hon. Friend the Member for Bethnal Green and Stepney referred to the glossy leaflet issued by the Conservative Back Bench horticultural committee as justification for the measure. So we have a group of Conservative Back Benchers offering justification for this private Bill.

My right hon. Friend also raised the question of the O'Cathain report by a Right-wing economist, almost a quango groupy, employed in 1981 by the Ministry of Agriculture, Fisheries and Food to produce a report. The report was never published. Somehow it has leaked out from the Ministry and is used by the corporation as a justification for the measure. That is a cause of great concern. Questions of propriety are involved. Shabbiness has come into the House on these matters. The result is that the whole procedure on private Bills is in disrepute. A Select Committee is considering the matter and I hope that shortly we will have an opportunity to debate its report and to redress some of the wrongs.

The Minister was surprised that I was here to reply to the debate. I gave him the reason. I am not familiar with the Spitalfields area. It is not an area to which I go every day, but, when I knew that I was to reply to the debate, I made arrangements to go to Spitalfields, and I have spent a considerable time there during the last two days. I should be grateful if the Minister could tell us whether his ministerial engagements allowed him time to go to Spitalfields. He is the Minister responsible for the Bill and he should tell us how much time he has spent in Spitalfields over the last two days.

Mr. Gummer: I am happy to say that Spitalfields is a place not only to which I go, but which I go through regularly—*[Interruption.]* The hon. Member for Newham, North-West (Mr. Banks), who spends most of the time shouting from a sedentary position, should note that I made a distinction between those two activities. I agree with the hon. Member for Caerphilly (Mr. Davies) that it would be difficult to reply to the debate without having done so.

Mr. Davies: The Minister singularly refused to say whether, when he knew that he would be replying to the debate, he took the opportunity of going to Spitalfields to examine the position, to talk to the residents and to make his own assessment of the impact of the Bill on the people. He made no mention at all in his speech of the consequences of the move on the people of Spitalfields.

Mr. Tony Banks *rose*——

Mr. Davies: I will give way to my hon. Friend, but I know that my hon. Friends who represent the three Newham constituencies are anxious to catch your eye, Mr. Deputy Speaker. I want to conclude my remarks quickly so that I may listen to their speeches. However, I shall give way because my hon. Friend the Member for Newham, North-West (Mr. Banks) is very anxious about the matter.

Mr. Tony Banks: I certainly am very anxious, because we still have not heard anything about Stratford market. The Minister for fruit and veg has been at the Dispatch Box but he did not say a word about Stratford market. Perhaps my hon. Friend would like to say a few words about it.

Mr. Davies: As part of my preparation for the debate, I took it upon myself to contact my hon. Friend and he spent many hours briefing me. *[Laughter.]* It is a strange irony that it is a matter for mirth that an Opposition spokesman should seek to acquaint himself with the problems of individuals who are faced with such legislation. It is a pity that the Minister of State, Ministry of Agriculture, Fisheries and Food, who can so something about it, did not consult my hon. Friend the Member for Newham, North-West. If he had, he might have been wiser and had something to say at the Dispatch Box this evening.

I took it upon myself to consult my hon. Friend the Member for Newham, North-West. I know that he is worried about the impact on his market. If he catches your eye, Mr. Deputy Speaker, he will put his case. I know also that if he does not catch your eye, he will ensure that the interests of his market traders are brought to the fore in a forceful way.

The case for the people of Spitalfields has been put already by my hon. Friend the Member for Bethnal Green and Stepney and my hon. Friend the Member for Newham, North-West. From my visit to the area I gained the impression that this is a unique and distinctive community. It is struggling to survive, but it is capable of being viable if given a helping hand. If it is not helped, it could be destroyed.

I offer to the House three graphic but brief illustrations of my conclusions from my visit to Spitalfields. As my right hon. Friend mentioned, Herbert house is a block of residential maisonettes. It is a visible exhibition of poverty, squalor and overcrowding that I did not know existed in 1988. Representing one of the most deprived and depressed mining areas of south Wales, I was shocked to find that degree of squalor in this capital city. What made that squalor more obscene was that it was overshadowed by the Broadgate development, rising up and blocking out the skyline. It is a symbol of wealth and affluence next to an area of abject poverty. That Broadgate development

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represents a world of business, employment and high finance which could not be further away from the everyday experiences of the people who live in Herbert house, whose outlook is blocked by that expensive development. That visit illustrated to me what the Bill is all about.

I was told that I had to see Aldgate Barrs. I was told that it had been offered as planning gain for an earlier planning development. My hon. Friend the Member for Newham, North-West suggested that the local authority may have been conned into agreeing to that development. Aldgate Barrs was held up as a vision of what could be offered to a community if it co-operated with new planning developments. The community was told at the time that there would be new shops, new leisure facilities and new community facilities and that the community would benefit. The shops are there, the keep-fit centre is there and the theatre is there, but the shops, the theatre and the keep-fit centre are of no use to the people of Spitalfields. Those facilities are outside their experience.

The Aldgate Barrs centre is busy by day, full of yuppies going about their business and leisure activities, but it is empty at night. It is closed also at weekends when the community, if it is to enjoy the benefit of planning gain, should be playing hard. But when the Aldgate Barrs centre could be enjoyed by the community, the doors are shut. That is not enriching a community; that is giving to the community a perpetual reminder of what it does not have. That is the sad aspect of that development. That constant reminder of a different lifestyle which is not available to the people of Spitalfields makes us angry.

The final indignity displayed in Aldgate Barrs is an advertising sign—*[Interruption.]* It might be a matter of humour to Conservative Members, but I do not find it humorous, because the advertising sign says:

"Bring a touch of France to your patio."

It is advertising new patios for gardens—in Spitalfields.

Mr. Michael Jack (Fylde): What is wrong with that?

Mr. Davies: I will tell the hon. Gentleman what is wrong with that. The people who are living in the area that that facility is supposed to be servicing are living in squalor.

There are 1,300 homeless families and 12,000 families on the housing waiting list. A total of 25 per cent. of the male population in Spitalfields is unemployed and the average wage of those in work is £110 a week. The hon. Member for Fylde asks what is wrong with telling them to bring a touch of France to their patio. He does not know what world he is living in.

Another example of conditions in the area can be found on the Chicksand estate. It is a multi-storey tenement of two-bedroom flats. Those flats are being sought by property speculators who are offering £75,000 a time. That is happening in a ward in a local authority area where very few people can afford to exercise the right to buy which was so grandly given to them by the Government. They are so poor that they have to stand by and see property speculators paying £75,000 for multi-storey tenement flats in an area with that level of poverty.

That shows the real issues involved in the Bill. It is not just about having nice hygienic conditions of freeze-drying for horticultural products. That is not the issue. If it was, the Minister would have said, "I am concerned with a strategy for the markets in London." He would have said, "I am trying to develop a plan to ensure that the markets of London are best located and best run." He did not do that. He offended the House by gratuitously ignoring the real issues to which I have referred.

We are not being asked to approve the renovation of a worn-out market; we are being asked to relocate it to allow the redevelopment of the site on which it is currently located. The motivation for the Bill comes not from the residents of Spitalfields but from those whose fingers are in the development pie. The losers, if the Bill is passed this evening and completes its stages unchanged, will be the people of Spitalfields. For those reasons, we cannot support the Bill as it stands.

9.32 pm

Mr. John Bowis (Battersea): I listened with care to the right hon. Member for Bethnal Green and Stepney (Mr. Shore), the representative of Spitalfields, and the hon. Member for Bow and Poplar (Ms. Gordon), the daughter of Spitalfields. If there is one thing about which there is agreement, it is that the Spitalfields site is fairly scruffy and could well do with a facelift, a move or whatever. I do not think that there is any dispute between us on that.

I have no objection to the removal of the market and the building of a new market elsewhere, as long as the result is a market system that provides fair competition for the markets in London.

My interest in the Bill and the reason why my name is one of those appended to a motion blocking the Bill is that I represent the constituency of Battersea, within which is the bulk of Covent Garden market. In fact, a small part of it is outside my area and when I go into the flower market and walk beyond an imaginary line I find myself trespassing on the patch of the hon. Member for Vauxhall (Mr. Holland). That is where the market starts to have its rates doubled.

The problem I wish to raise has been put to me by the Covent Garden market tenants association, the traders and the employees of both the market and the traders, many of whom live in my constituency. It is a problem about which concern has been properly expressed. I am grateful to my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg) for referring to the fact that there has been considerable work between the City of London corporation and Covent Garden and active participation by my hon. Friend the Member for Fylde (Mr. Jack) in an attempt to find solutions to the problem. As my right hon. Friend the Minister said, it is a pity that some people do not seem to have gone out of their way to look for solutions to the problems involved in the Bill.

The problem centres on the capacity of London markets. Unlike any other western capital, London has a chequered history in that a lot of markets have been formed. Every other capital city in western Europe has a single wholesale horticultural market. We have not one, but five, plus the small market, albeit largely retail, at Greenwich. We need to examine the danger of overcapacity. That is why we have not allowed the Bill to go through unopposed. We feel that market capacity should be examined carefully to ensure that the new market will not have adverse repercussions on the traders, markets or consumers of London.

The traders and employees at Covent Garden put three specific points to the corporation. First, they said that

there should be a survey to establish the impact of the new market. I do not suggest for one minute that the wholesale markets have become inefficient. I am merely saying that trading patterns have changed. Whereas people used to go to their greengrocer for virtually all their fruit and vegetables, they now go increasingly to supermarkets. The supermarkets, in turn, go to their own wholesalers and many of them import direct. When considering investment in new markets, we need to ensure that we take that on board.

It was sensible to call for a survey to establish the need. There have been two reports—the O'Cathain report of 1981 and the Wells report of 1985. The O'Cathain report recommended a planned reduction in the number of markets. The Wells report recommended that Spitalfields market should be closed and that the City corporation should join with the tenants at Stratford in building a "modest yet modern market". It is a modest yet modern market that we have sought. It was and is important to have a survey and I hope that it will be carried out during the passage of the Bill.

The second point that the Covent Garden traders made to the corporation concerned the size of the market. People have justifiably wanted to ensure that the market is large enough to accommodate the existing traders from Spitalfields and Stratford if they want to transfer but not so large as to tempt market traders from other markets. To some extent, we have achieved that in our discussions and I welcome the assurance given by my hon. Friend the Member for Hampstead and Highgate on the space needed and the pourboire—if that is the right word—to encourage existing traders to go. I hope that he will confirm that that will not be available to traders who trade at markets elsewhere. *[Interruption.]* I am glad to have that confirmed.

The third problem involves rents and rent increases. There was concern that if the rents were simply based on current rents that would take no account of the more attractive and extended facilities of the new market. Such rents could be considered to be some sort of subsidy to market traders in the new markets.

None of those apprehensions reflects on Covent Garden's viability. Covent Garden has been extremely successful since it was inaugurated. It has managed to conquer its massive debt repayments; the figure is now below £2 million and falling year by year. The space available at Covent Garden is well used and the gap that has been created by the use of supermarkets has been filled by other outlets for horticultural goods—not least distribution to the catering sector.

Although I was one of those who wished to block the Bill, I thank the City of London corporation and the Covent Garden market authority for their dedicated work in coming together to seek solutions. Tonight we have had, if not an eleventh hour solution, at least a seventh hour solution and have come to a substantial measure of agreement. Unfortunately, the City of London corporation has not agreed to the survey, but perhaps that will come later.

We have gained the reassurance that the new Spitalfields will be of a sufficient size, and sufficient only, to satisfy the needs of the Spitalfields and Stratford traders who move there. There is agreement that the space in the new market will take full account of the greater efficiency that can be achieved by modern market facilities and of the declining role of the wholesale market. The new Spitalfields will simply replace the old market. It will not result in overcapacity, which is a great danger for London wholesale markets.

We have been given some reassurance that the occupancy costs—rent and service charges—for tenants at the new market will be at least comparable to those of the Covent Garden market. Therefore, to a large extent, our worries about unfair enticements have been put at rest.

The City of London corporation has satisfied me and the people whom I represent at Nine Elms that its plans will not adversely affect the marketing at Covent Garden or the overall position of London markets. We can look forward, while the Bill is in Committee, to these reassurances being tightened, tidied up and brought back as a cast-iron guarantee to the market traders and employees of Covent Garden. It was right that I should have held out for the interests of my constituents. By holding out, consulting and negotiating, we have achieved for Covent Garden what other markets might have achieved had they done likewise. I have no doubt that we can formalise the agreement satisfactorily. I am happy to say that I shall not vote against the Bill.

9.42 pm

Mr. Tony Banks (Newham, North-West): The hon. Member for Battersea (Mr. Bowis) said that he has been speaking for his constituents and the interests that he represents and that they have been satisfied. But the interests represented by my hon. Friends from Newham constituencies and I have not. Those are the interests of the London borough of Newham and the Stratford market traders, who are sorely affected by the proposal and who take a close interest in the proceedings of the House.

As my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore) said, the Bill is not about market needs in east London. It is about the mega-millions of pounds involved in the redevelopment of Spitalfields. To use a catch word with which perhaps you are not familiar, Mr. Speaker, we are talking "loadsa" money here—but not "loadsa" money for the Stratford traders and certainly not for the people of Newham.

The Minister for food mountains, who was at the Dispatch Box a short while ago, could have addressed himself to the interests of market strategy in fruit and vegetables throughout London and east London in particular. But he chose not to. He made a few petty points about the Greater London council and sundry Labour-controlled councils in the east end of London.

I want to talk about the Stratford market traders and the position of the fruit and vegetable wholesale market in Newham. It has not suddenly appeared; it has its roots in a history going back to 1253, when Henry III granted Richard Montfitchet the right to hold a Tuesday market at West Ham and an annual fair from 19 to 22 July. The market developed gradually, but history is silent about it during the intervening centuries.

I notice that Conservative Members are being whipped in to vote in the interests of the City of London—the Chamber is suddenly quite full. Despite my legendary abilities to call people in to listen to my oratory, I know that that is not what they have come for. They would not be here on a Thursday night—they would all be getting their behinds out of this place as far as possible to look after their constituencies, as they should. But here they sit,

[Mr. Tony Banks]

waiting for a vote, knowing that they must stay here because they have been told to. That makes a mockery of the private Bill procedure.

Sir William Clark (Croydon, South) *rose*——

Mr. Banks: I would have given way if the hon. Gentleman had been in the Chamber earlier; he should have come to listen to the arguments.

The real history of Stratford market dates from 1879. As London spread out and Stratford became a busy commercial centre that was increasingly inadequate to supply the needs of an ever-growing population, a market was established in 1879 which we would all recognise today as Stratford market. That market is now threatened by the Bill, and this is the first time that that has been raised during the debate.

The Stratford wholesale fruit and vegetable market occupies a site of about 6·25 acres of land—and buildings—that was originally owned by the Great Eastern Railway 100 years ago. It is now the property of the British Railways Board. It has an overspill in Burford road in which a number of market traders occupy premises and trade under the auspices of Stratford market. In 1985 the British Railways Board granted a 125-year lease on those acres of land to the new Stratford market development company formed by the traders, the majority of whom are now acting as their own market authority. Access to the market is via Burford road to the north and Abbey road to the south. So there is more than one access point, and I correct the hon. Member for Hampstead and Highgate (Sir G. Finsberg) on that point.

The constituency office of Newham, North-West is at the end of Burford road so I can look out of my office window and see what is going on in the market——

Sir Geoffrey Finsberg: I specifically said that there was more than one exit at Stratford market. I saw it yesterday afternoon, and the building to which the hon. Gentleman referred.

Mr. Banks: I accept the hon. Gentleman's correction of what I said. He also said that much of the land around Stratford market was polluted by the gas board. I am assured that such a technical problem can be easily overcome with large quantities of concrete. They managed to do it at Chernobyl, so I am sure they can do it in Stratford.

The hon. Member for Hampstead and Highgate also mentioned access roads. I know that he has been in the area and had a look at it. Newham borough council has many good plans for developing the infrastructure in the area if the Spitalfields market could be transferred to Newham. About 40 acres of land in Stratford could be used to relocate Spitalfields market. Conservative Members will realise that there is a difference between the point of view of my right hon. Friend the Member for Bethnal Green and Stepney, who is representing the interests of Stepney, and that of the hon. Members who represent Newham.

We would be delighted to have Spitalfields market in the London borough of Newham. We want that development in the London borough of Newham. We are not trying to oppose it. We want it in Stratford. But that is not the proposal. The proposal is that it will be in Temple Mills, which will have a deleterious effect on the Stratford market. We still have not received the assurances that we want from the promoters that they will look after the interests of the Stratford market traders.

The British Railways Board has played a fairly low role in all this. Not only did it give a 125-year lease to the Stratford market traders; it then sold a site in Temple Mills to rival developers for a new market. Frankly, it has been playing both ends off against the middle. The people who will now lose out badly look like being those in the London borough of Newham and the Stratford market traders.

The Stratford market traders have done their best to develop the site and to look to the future in terms of what we want there. The draft plan that was prepared in the 1980s concluded with the statement:

"It is the intention of the Stratford Market Development Company to take steady but progressive steps towards improving the basic ideals set out whilst at the same time preserving the interests of the tenants currently domiciled in the market, ensuring that upheaval is kept to a minimum. The complex is well situated in an area close to the main road routes and those envisaged in the future. With the co-operation of all concerned, it is felt that there is considerable potential for the market to develop and generate trade, providing additional employment with a greatly improved working environment."

There were plans, and those plans are still there, to try to develop the Stratford market area within a catchment area of some 3 million consumers.

As I have said, the opposition to the Bill comes from the London borough of Newham, which is extremely worried about the corporation's proposals in the Bill to close the present Spitalfields market and relocate it at Temple Mills, only 1·3 miles from Stratford market, causing severe disturbance to the existing Stratford market.

I have mentioned to the Minister that the London borough of Newham attempted to have the proposal called in by the Department of the Environment, but that was met with a blank refusal. We oppose the development and have tried to do so, but have had no co-operation from the City of London or the Department of the Environment.

The council feels that if the Bill is passed it will cause unemployment and hardship for some of those whom the council and my hon. Friends the Members for Newham, North-East (Mr. Leighton) and for Newham, South (Mr. Spearing) represent. The Bill will prevent the development of an expanded market at Stratford on a wider area of some 36 acres, of which the present market forms a part. That is larger than the Temple Mills acreage that is proposed for the new Spitalfields market.

The council contends that the corporation's proposals take no account of the existing market provisions on the eastern side of London. The provision of wholesale fruit and vegetable markets in east London is a complex matter and should be seen in the historical context of its various aspects. The Department of the Environment commenced a study in 1981. The Minister of State was not there at the time, but the report's recommendations have never seriously been considered by his Department, nor have they been considered by the City of London.

By the early 1970s the new Covent Garden market was established at Nine Elms, and, more recently, the western international market has been built at Heston to serve the western side of London. Conservative Members may find this vaguely amusing or vaguely boring. I make no apologies on this occasion for boring the House because I am boring the House in the interests of 300 employees at

Stratford market and 25 traders who I know are paying close attention to what is going on in the House. I do not think that they have been very impressed by what they have seen on the Conservative Benches tonight, and that is from a party that is supposed to be looking after the interests of small traders.

Mr. Jack: Why, if he is so interested in the Stratford market employees, does the hon. Gentleman seek to deny them the chance of entering a modern horticultural market that could further develop their opportunities?

Mr. Speaker: Order. I am not bored, but others among the hon. Gentleman's colleagues wish to speak. Will he bear that in mind?

Mr. Banks: I am delighted to hear that I am not boring you, Mr. Speaker. That is the last thing I would want to do. But I must respond to the hon. Member for Fylde (Mr. Jack). Why does he not consult the market traders? Why does he think that they want to go to Temple Mills? He knows that they do not want to go—or I hope that he knows. They want to stay where they are. They want the new Spitalfields market—if there is to be one—based where they are at the moment. If they are forced to move to Temple Mills because their market will not be viable if the Temple Mills market is established, it will undoubtedly mean the loss of their trading position, and of many jobs in the area.

Mr. Spearing: Does not my hon. Friend find it rather strange that Conservative Members should self-confessedly be bored by an important exposition of the interests of Stratford market traders? Is it not probable—indeed, we can assume by their presence that it is obligatory—that Conservative Members are here only because of their concern with the interests of Spitalfield market traders? Would it not be natural for them to be interested also in the market concerns of Stratford—unless, of course, there is some other reason that they have not expressed?

Mr. Banks: I understand my hon. Friend's point. I know the City of London of old. Conservative Members have undoubtedly done their work. They are probably sitting there full of City of London champagne. They have probably been guzzling vast quantities of caviare. They would not be here at 9.56 on a Thursday evening if they had not all been bribed in some way.

Mr. Speaker: Order. Members of the House are not bribed. The hon. Gentleman must withdraw his remarks.

Mr. Banks: A more honest group of people I have never contemplated, Mr. Speaker. I should have said that they had been induced in some way to come and show their fascination with market strategy and market traders in the east end of London. But I take the point, Mr. Speaker. I know that many Opposition Members want to speak.

We oppose the Bill. Effectively, it will mean the end of Stratford market. It will mean a loss of jobs and facilities, not only for the traders but for the London borough of Newham. On those grounds—and there are many more that I wish I had the opportunity to enunciate—I am against the Bill. Having said those few words, and in the hope that I have not bored the House, I shall sit down.

9.57 pm

Mr. Hugo Summerson (Walthamstow): I preface my remarks by saying what a shame it is that, of the two hon. Members representing the London borough of Waltham Forest, I have just been called but the hon. Member for Leyton (Mr. Cohen) has not yet been called.

I welcome the contribution that the new market will make to the London borough of Waltham Forest and to the local economy. In planning terms, the Bill will achieve two extremely useful purposes. It will make full and proper use of a site that appears almost purpose-made for the job at Temple Mills, and of the site of Spitalfields, which has clearly outgrown its present functions.

For those reasons, I welcome the Bill. I shall sit down in the hope that the hon. Member for Leyton may have half a minute in which to speak.

9.58 pm

Mr. Harry Cohen (Leyton): It is wonderful to have a minute and a half to represent the views of Leyton, where the market will go. *[Interruption.]* At least, it is proposed for it to go there. I do not think that I can do justice to the views of all the people of Leyton——

Sir Geoffrey Finsberg *rose in his place and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The House divided: Ayes 113, Noes 23.

Division No. 301] **[9.59 pm**

AYES

Alexander, Richard
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Atkins, Robert
Atkinson, David
Baldry, Tony
Banks, Robert *(Harrogate)*
Beith, A. J.
Bellingham, Henry
Bennett, Nicholas *(Pembroke)*
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bowden, Gerald *(Dulwich)*
Bowis, John
Brazier, Julian
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Campbell, Menzies *(Fife NE)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Chalker, Rt Hon Mrs Lynda
Chapman, Sydney
Clark, Sir W. *(Croydon S)*
Cohen, Harry
Coombs, Anthony *(Wyre F'rest)*
Cope, John
Couchman, James
Day, Stephen
Dorrell, Stephen
Dover, Den
Durant, Tony
Emery, Sir Peter
Fenner, Dame Peggy
Finsberg, Sir Geoffrey
Forman, Nigel
Fox, Sir Marcus
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Gorst, John
Gow, Ian
Griffiths, Peter *(Portsmouth N)*
Ground, Patrick
Gummer, Rt Hon John Selwyn
Hamilton, Neil *(Tatton)*
Hannam, John
Harris, David
Hicks, Robert *(Cornwall SE)*
Hind, Kenneth
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howells, Geraint
Hughes, Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Jack, Michael
Janman, Tim
Knapman, Roger
Knowles, Michael
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
McNair-Wilson, M. *(Newbury)*
Major, Rt Hon John
Mans, Keith
Maples, John
Marshall, Michael *(Arundel)*
Mitchell, Andrew *(Gedling)*
Moore, Rt Hon John
Morris, M *(N'hampton S)*
Moynihan, Hon Colin
Neubert, Michael
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Page, Richard
Paice, James
Rhodes James, Robert
Ridsdale, Sir Julian
Roe, Mrs Marion
Rossi, Sir Hugh
Ryder, Richard
Shaw, David *(Dover)*
Shepherd, Colin *(Hereford)*
Squire, Robin
Stanbrook, Ivor

Steen, Anthony
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Taylor, Ian *(Esher)*
Taylor, Matthew *(Truro)*
Thorne, Neil
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Waddington, Rt Hon David
Warren, Kenneth
Watts, John
Wells, Bowen
Widdecombe, Ann
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark

Tellers for the Ayes:
Mr. Greg Knight and
Sir Michael Shaw.

NOES

Barnes, Harry *(Derbyshire NE)*
Campbell-Savours, D. N.
Cryer, Bob
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dixon, Don
Foulkes, George
Godman, Dr Norman A.
Gordon, Mildred
Haynes, Frank
Holland, Stuart
Lamond, James
Leighton, Ron
Lloyd, Tony *(Stretford)*
Macdonald, Calum A.
Meale, Alan
Mitchell, Austin *(G't Grimsby)*
Pike, Peter L.
Shore, Rt Hon Peter
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Spearing, Nigel
Wray, Jimmy

Tellers for the Noes:
Mr. Tony Banks and
Ms. Joan Walley.

Question accordingly agreed to.

Question put accordingly, That the Bill be now read a Second time:—

The House divided: Ayes 109, Noes 21.

Division No. 302] **[10.10 pm**

AYES

Alexander, Richard
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Atkins, Robert
Atkinson, David
Baldry, Tony
Banks, Robert *(Harrogate)*
Beith, A. J.
Bellingham, Henry
Bennett, Nicholas *(Pembroke)*
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bowden, Gerald *(Dulwich)*
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Campbell, Menzies *(Fife NE)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Chalker, Rt Hon Mrs Lynda
Chapman, Sydney
Clark, Sir W. *(Croydon S)*
Cohen, Harry
Coombs, Anthony *(Wyre F'rest)*
Cope, John
Couchman, James
Day, Stephen
Dorrell, Stephen
Dover, Den
Durant, Tony
Emery, Sir Peter
Fenner, Dame Peggy
Finsberg, Sir Geoffrey
Forman, Nigel
Fox, Sir Marcus
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Gorst, John
Gow, Ian
Griffiths, Peter *(Portsmouth N)*
Ground, Patrick
Gummer, Rt Hon John Selwyn
Harris, David
Hicks, Robert *(Cornwall SE)*
Hind, Kenneth
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howells, Geraint
Hughes, Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Jack, Michael
Janman, Tim
Knapman, Roger
Knowles, Michael
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
McNair-Wilson, M. *(Newbury)*
Major, Rt Hon John
Mans, Keith
Maples, John
Marshall, Michael *(Arundel)*
Mitchell, Andrew *(Gedling)*
Moore, Rt Hon John
Morris, M *(N'hampton S)*
Moynihan, Hon Colin
Neubert, Michael
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Page, Richard
Paice, James
Rhodes James, Robert
Ridsdale, Sir Julian
Roe, Mrs Marion
Rossi, Sir Hugh
Ryder, Richard
Shaw, David *(Dover)*
Shepherd, Colin *(Hereford)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Taylor, Ian *(Esher)*
Taylor, Matthew *(Truro)*
Thorne, Neil
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Waddington, Rt Hon David
Warren, Kenneth
Watts, John
Wells, Bowen
Widdecombe, Ann
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark

Tellers for the Ayes:
Sir Michael Shaw and
Mr. Greg Knight.

NOES

Barnes, Harry *(Derbyshire NE)*
Cryer, Bob
Davies, Ron *(Caerphilly)*
Dixon, Don
Foulkes, George
Godman, Dr Norman A.
Gordon, Mildred
Haynes, Frank
Lamond, James
Leighton, Ron
Lloyd, Tony *(Stretford)*
Macdonald, Calum A.
Meale, Alan
Mitchell, Austin *(G't Grimsby)*
Pike, Peter L.
Primarolo, Dawn
Shore, Rt Hon Peter
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Spearing, Nigel
Wray, Jimmy

Tellers for the Noes:
Mr. Tony Banks and
Ms. Joan Walley.

Question accordingly agreed to.
Bill read a Second time and committed.

Mr. Speaker: The Question is the instruction in the name of the right hon. Member for Bethnal Green and Stepney (Mr. Shore).

Sir Geoffrey Finsberg: Object.

Torture and Inhuman Treatment

10.21 pm

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): I beg to move,

That the draft European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (Immunities and Privileges) Order 1988, which was laid before this House on 12th April, be approved.

The order provides that the members of the European committee, to be established in accordance with article 1 of the convention for the prevention of torture and inhuman or degrading treatment or punishment, shall enjoy the appropriate privileges and immunities to enable them to exercise their functions under the convention.

Torture is one of the gravest violations of human rights. The British Government have repeatediy condemned it at the United Nations and in other international forums. It is expressly prohibited by the universal declaration of human rights, the international covenant on civil and political rights, and the European convention on human rights. Allegations that states or their agents have resorted to torture or inhuman or degrading treatment are subject to investigation under the relevant international instruments.

In a recent years, two new initiatives have been taken by the international community to make more effective measures for prevention. The first is the United Nations convention against torture, which was laid before Parliament in August 1985. The Government intend to introduce amendments to the Criminal Justice Bill which will enable the United Kingdom to ratify that convention later this year.

The second initiative is the convention that is the subject of tonight's debate. The initiative for the convention came from the Assembly of the Council of Europe. As hon. Members will know, torture is prohibited by domestic laws in all countries in western Europe. The victims of torture or inhuman or degrading treatment have legal channels—both domestic and international—open to them to complain and to seek and obtain redress. But the assembly believed that something more was needed—something that would go towards preventing such acts. It therefore proposed a non-judicial system that monitored detention, with a view to discouraging treatment that amounted to a violation of human rights. The result is the convention.

Under the convention, a committee will be established. The task of the committee will be to arrange visits to places of detention in order, in the terms of article 1 of the convention,

"to examine the treatment of persons deprived of their liberty with a view to strengthening, if necessary, the protection of such persons from torture and from inhuman or degrading treatment or punishment."

Parties are required to offer the members of the committee every facility in the performance of their tasks, in particular by giving them access at any time to any place where persons may be held—for instance, police stations, interrogation centres, prisons and hospitals—and the opportunity to interview detainees in private, and likewise their families, legal representatives and doctors.

Apart from periodic or routine visits in the territory of each contracting party, the committee may organise any ad hoc visits that it thinks warranted. After each visit the committee will communicate its findings and recommendations to the party concerned. That procedure is confidential. However, where the Government concerned fail to co-operate or refuse to comply with the recommendations, the committee may decide to make a public statement. If the relevant state itself requests publication of the committee's findings and recommendations, the committee is obliged to comply.

As officials in charge of places of detention do not know when they will receive a visit, they should be encouraged to fulfil their obligations towards detainees and to refrain from questionable practices. That non-judicial and confidential procedure is designed to assist Governments in treating detainees properly. It aims at co-operation between the committee and the state concerned and not the latter's conviction by a judicial authority.

The members of the committee are, according to the convention, to be elected by the Committee of Ministers of the Council of Europe from a list of names drawn up by the bureau of the assembly. Members of the committee will serve in their individual capacity. The convention stipulates that they be picked on the basis of good character and experience in the human rights field. The committee may, if it wishes, appoint suitable experts to help it.

Much progress has been made in human rights in the last 20 years, but I think that everyone would say not yet enough. At the United Nations, particularly in the United Nations Commission of Human Rights, it has become harder for countries abusing the rights of their own citizens to escape the glare of international publicity and condemnation. Every year more problems are addressed and a closer examination is made of situations in which states have failed to live up to internationally agreed standards.

Mr. John Gorst (Hendon, North): Is it envisaged by the Government that during the visits that the committee will pay to various places there will be any change in the definitions that are currently accepted as constituting inhuman or degrading treatment? Or will the members of the committee be bound by the precedents set in judgments of the Court of Human Rights?

Mrs. Chalker: I believe that for the time being the committee would be bound by the judgments already set. But if there were a consistent pattern in what the committee was finding, I am sure that it would be both wished and sensible that there should be further examination. For the time being, however, I think that we had better let the committee get on with its work and see what is then produced. I am sure that no hon. Member would want anything that looked like a consistent pattern of seeking to evade the intention of the rules to be allowed to continue for any period. So that is certainly something that we should be looking at for the future.

In 1985 the commission appointed a special rapporteur on torture to investigate allegations of torture wherever they might arise. We have strongly supported his reappointment each year as another part of the international machinery designed to put an end to this horrific abuse. We also played an active part in preparing the United Nations convention against torture, which was adopted by the United Nations General Assembly in December 1984 and which we signed in March 1985. Under that convention, which came into force last June, a committee of independent experts has been elected to examine periodic reports by states parties. Through the

[Mrs. Chalker]

periodic reports which no doubt will come from the committee we can look at the experience of the next few years as it is revealed by the investigations.

I do not wish to detain the House, so let me just say one more thing. The European convention is another step—perhaps a small but an important step—in the right direction. It has been signed by all 21 member states of the Council of Europe. Three countries have already ratified it—Turkey, Malta and Ireland. Sweden, in which my hon. Friend the Member for Hendon, North (Mr. Gorst) is interested, has not yet ratified it. I understand that Sweden will go through a similar procedure to this in its Parliament before it can rectify the convention.

The convention will serve as a signal to other regions of Europe's commitment to stamp out torture. Let us hope that it will lead eventually to the elimination throughout the world of this terrible violation of human dignity. We wish to do everything to prevent torture and such violations.

I am pleased to commend the convention and the Order in Council to the House.

10.30 pm

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): I hope that the Minister is not too disappointed that she will not have her usual confrontation with my hon. Friend the Member for Hamilton (Mr. Robertson). It has fallen to me to speak for the Opposition. I do not know whether it is inhuman treatment or punishment for a Scots Member to be asked to do this late on a Thursday night. Sometimes I feel it is, as no doubt does the hon. and learned Member for Fife, North-East (Mr. Campbell), the name of whose party I still have difficulty remembering.

We welcome the order, the convention and the committee—all described as a radical step in the crusade against torture in one of the commentaries on the matter. On behalf of the Opposition, I pay tribute to the work of Amnesty International and the pressure that it exerted for the setting up of the committee and the whole campaign that it has been running on torture. I also add a word of thanks to my right hon. and learned Friend the Member for Warley, West (Mr. Archer) who, over a long period, has played a great part, particularly when he was chairman of Amnesty International in the early 1970s.

We approve of giving diplomatic protection and immunity from arrest and prosecution to the members of the committee who are undertaking an important task. It is always easy to say that we disapprove of torture, which the right hon. Lady rightly described as a calculated attack on human dignity and one of the worst indignities that we see. It is not enough to condemn; we have to back up the words of condemnation with action. Action to eliminate torture is particularly important when we read in the Amnesty International report that about one third of all countries recorded instances of torture in the 1980s. Those are not old records—but in this decade. So we have a long way to go. United Nations and European actions are vital.

Incidentally, it would be useful if the right hon. Lady, in her final words, could confirm the report which was in the *Daily Telegraph* of 25 November last year about the United Nations convention. It said:

"If the convention's provisions are made retrospective . . . it could form the basis for war crimes trials in Britain."

Mr. Deputy Speaker (Mr. Harold Walker): Order. I hope that the hon. Gentleman will not stray too far from the motion.

Mr. Foulkes: I shall endeavour not to do so, Mr. Deputy Speaker, but it would be helpful, as the right hon. Lady mentioned the United Nations convention in her remarks, if she could clarify that.

As the Minister said, we have a European responsibility to eliminate torture in the 21 member states of the Council of Europe, and we can act as an example to other regions of the world. That is something that Opposition Members fully endorse.

Even in 1988, there have been allegations of torture in four member states of the Council of Europe—here in the United Kingdom, in Spain, in Italy and, above all, there have been numerous allegations of torture taking place in Turkey. It is peculiar, and, strangely enough, disturbing, that Turkey should be the first state to ratify this convention. It does seem paradoxical and strange—*[Interruption]* I am sure that the Under-Secretary of State for Industry would find it strange if he paid attention to the debate. The allegations relating to Turkey are serious.

I find it disturbing because, as I understand it—perhaps the Minister will confirm this—the first seven countries to ratify set things in motion. Therefore, if the first seven countries——

Mr. Deputy Speaker: Order. I draw the attention of the House to the fact that once we start discussing torture in the individual countries, the debate will be wide open and interminable. We are discussing the granting of immunities and privileges to those who are monitoring these things.

Mr. Foulkes: I appreciate that, Mr. Deputy Speaker, but the right hon. Lady covered instances of torture in particular countries. When we are talking about the way that the monitoring takes place and the procedures and the immunities that are to be granted, what is happening in individual countries is relevant. Unless we see the order in its proper and wider context, this discussion will become technical and sterile.

The important matter that we should take into account is that the first seven countries have the responsibility of setting up the committee and its operational aspects, including its immunities and privileges.

Mr. Deputy Speaker: Order. We are not debating all those things tonight; we are debating immunities and privileges.

Mr. Foulkes: But these are the kind of things that these seven countries will have responsibility for. If those countries are the worst offenders in relation to human rights, the operation of the committee will be hampered.

Mr. Deputy Speaker: Be that as it may, it is not a matter for debate before the House tonight.

Mr. Foulkes: I appreciate that, Mr. Deputy Speaker. I was merely picking up some of the matters that were raised by the Minister in her speech. If it is in order for the Minister to raise those matters, presumably it is in order for other hon. Members to raise them.

We appreciate the importance of all aspects of this convention, including the immunities and privileges which have been granted to the members of the committee. It is a unique committee and, because it is unique, it is important that it is given immunities and privileges which

are not granted to many other operational committees. It will provide a sophisticated surveillance system and act, as the Minister said, as a preventative device. It will be a deterrent to human rights violations.

It is important to have some guarantee that the committee will be independent and that the members will not become the servants of the states from which they come. I hope that when the Minister considers this matter further, she will make sure at the Council of Europe that the method of appointment of committee members will ensure that they act independently. If not, the kind of privileges that we are considering and granting to them tonight will not be appropriate.

The Minister said that the members of the committee should be of good character. She did not quote the exact words of the convention on the arrangements for setting up the committee, which are that they should be of high moral character. Whatever the difference between "good" and "high moral" character, we believe that they should be of high moral character. We also believe that they should have some support and have independent access to funds —not just from Governments but from the Council of Europe—so that they can operate fully and independently.

We welcome the powers given to the committee members—which justify the granting of immunities and privileges—to interview any persons in private with unlimited access; right of access to all places of detention; and the power to produce and, if two thirds of the committee agree, to publish, reports.

However, the Minister will appreciate that we are concerned about some of the restrictions. The Minister said that no advance notice should be given. My understanding is that advance notice must be given to the states concerned, if not to the individual detention centres. Such restrictions will reduce the committee's effectiveness.

States are also given the right to postpone visits in the interests of safeguarding national defence and public safety; where serious disorder is occurring in detention centres; and especially where visits might prejudice interrogations relating to serious crime. That limitation on the committee's operations is the one about which the Opposition have the gravest doubts, because all Amnesty International's reports show that the most serious instances of torture occur during interrogation. When we ratify the convention and participate in the setting up of the committee, I hope that the Minister and our representatives will ensure that the derogations, limitations and restrictions on the committee are minimised as much as possible.

I am concerned that when we are giving immunities and privileges to the Committee to operate in a way of which we strongly approve, an exhibition of torture instruments produced in the United Kingdom should have been held in London at the Barbican centre. That was sad, and a matter which my hon. Friend the Member for Manchester, Blackley (Mr. Eastham) raised several times in questions and on the Floor of the House. I hope that the Minister will give some assurance that we are not encouraging the maufacture and export of torture equipment from this country.

Mr. Deputy Speaker: Order. Again, I remind the hon. Gentleman that such matters have nothing to do with the instrument that is before the House. I hope that he will now address himself to the instrument that is before the House.

Mr. Foulkes: When we make the important decision to grant immunities and privileges, we are giving an important power to the recipients. Therefore, it is important to look at the matter in its wider context. However, as always, I accept your ruling, Mr. Deputy Speaker.

We should not be complacent about human rights, because we shall be subject to investigation and report by the committee. If people complain, committee members will arrive in this country and be able to travel free from any kind of arrest, prosecution or legal procedures, with the diplomatic immunities and privileges of a head of mission. It is likely that we shall have to look carefully at our interrogation procedures in police stations, at the condition of remand prisoners and of patients in some of our mental establishments. Otherwise we shall be subject to referral to the committee.

Finally, it would be helpful if the Minister could give some idea of the timetable for the ratification of the convention and the establishment of the committee. It would also help the House if the Minister could say whether the convention extends to the Channel Islands and the Isle of Man, or to Gibraltar, one of our overseas dependent territories in the European Community.

May we also have an assurance that information about the committee will be sent to prison governors, visiting committees and others who may have some responsibility for working with the committee when it comes into operation?

We welcome the Council of Europe's initiative in this matter and we welcome this instrument. We shall watch carefully the implementation of the committee's activities to ensure that actions match words. I thank you, Mr. Deputy Speaker, for your usual kindness and tolerance towards me.

10.46 pm

Mr. John Gorst (Hendon, North): I wish to explore the narrow but important question whether the members of the committee will have the ability to assess the mental condition of prisoners. Apart from knowledge of human rights issues, the committee, when dealing with people who may be disoriented in some way, will need at its disposal people with psychological or psychiatric expertise.

I say that because solitary confinement over an extended time can be a form of torture. Indeed, it can be as uncivilised as more direct forms of torture. It is alleged by countries which pursue solitary confinement procedures that there is justification for such action. But where the motive is to wear a prisoner down to obtain a confession, perhaps by starving him of company, by giving or withholding visits and privileges and perhaps even by manipulating his diet, then a confession obtained or information extracted by such means—or punishment without trial—should certainly fall within the definition——

Mr. Deputy Speaker: Order. The hon. Member heard me reproach the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes), and I hope he will bear in mind what I said.

Mr. Gorst: Yes, Mr. Deputy Speaker, but to argue for certain privileges and immunities, I must explain the qualifications I have in mind. For a prisoner who is disoriented as the result not of blows or the use of sharp

[Mr. Gorst]

instruments but of a different sort of treatment, a certain type of qualification is required to enable that prisoner to be interviewed. Will the Minister say the extent to which other countries which hold people for unacceptably long periods in solitary confinement——

Mr. Deputy Speaker: Order. I must again draw the attention of the House to the fact that we are debating the conferring of immunities on those who would carry out this work. We are not debating the kind of work that they would or should carry out. It is simply a question whether we should approve conferring immunities on them, and I hope hon. Members will address that point.

Mr. Gorst: I am simply arguing, Mr. Deputy Speaker, that the fact that certain countries will sign this convention while others will not makes a mockery of any decision by us to approve this instrument. Sweden, for example, has not signed it. Has Switzerland signed it? We must discuss some of the matters that I am endeavouring to raise because some countries that have not signed are among the worst offenders in holding people in solitary confinement.

There are prisons in Sweden—for example, the Kronoberg remand prison—where prisoners will even——

Mr. Deputy Speaker: Order. I cannot allow the hon. Member to proceed further along these lines. I hope that he will not persist.

Mr. Gorst: Perhaps I have tried your patience a bit, Mr. Deputy Speaker, so I shall conclude.

One must not make prejudgments, but I hope that the measure will have the universal support, not only of the House but of nations throughout Europe, because it deserves to be a further step forward in the humane treatment of prisoners. We live in a hypocritical world in which some of those with the most progressive reputations employ some of the most regressive means to achieve their ends. If this measure humanises anyone anywhere, it will fully justify the endeavours of the late Jean-Jacques Gautier, who is credited with being among those who gave inspiration to it. I hope that the House will pass the motion.

10.51 pm

Mr. Menzies Campbell (Fife, North-East): Like other hon. Members, I welcome the motion and the convention to which it relates. It is notable that the explanatory note, which is described as not being part of the order, points out that the order confers certain immunities and goes on to say:

> "It will enable Her Majesty's Government to become a party to the European Convention on the Prevention of Torture and Inhuman or Degrading Treatment or Punishment, done at Strasbourg on 26th November 1987."

It is clear that the order will have a direct and important consequence and hon. Members have directed their attention to that.

How far are these immunities justified? Those who are elected to the committee will have the power to visit any place where people are deprived of their liberty, the power to interview those in custody and the right to make recommendations to improve the protection of those who are thus detained. Those are considerable powers and responsibilities and it is not difficult to conclude that the greater the power invested in the committee, the greater the need for the committee to be possessed of immunity.

Is such immunity justified in relation to the quality of the people who are to be elected to the committee? They are to be of high moral character—that does not, of itself, necessarily justify immunity—and are to be known for their competence in human rights matters, to serve in an individual capacity, to be independent and impartial, to have the power to visit in time of peace or war and to visit all categories of those detained. If people of that quality are invested with those powers it is justifiable to argue that they are entitled to immunities on the scale that the order confers upon them.

The convention is, as the Minister said, but one further step in the attempt to eliminate torture and degrading punishment, in so far as that is within our power.

We cannot ignore the fact that those upon whom these immunities are conferred will be encouraged to exercise their responsibilities. We may look forward to the members of the committee visiting the prisons on mainland Britain, and perhaps also those in Northern Ireland. That will mean that these immunities can be used in a practical way to cause our institutions to come under considerable scrutiny. It is to be hoped that that scrutiny will not find us wanting, either in the management of the institutions or in the treatment of those who are necessarily detained in them.

The convention is a step in the unremitting battle against torture, about which some statistical information has been given to the House.

I conclude by joining other hon. Members who have asked the Government how soon they are likely to ratify the convention. If the order's purpose is to enable the Government to become a party to the convention, it is in the interests of the House to know how soon that enabling power will be exercised. Certain requirements must be met before the convention becomes applicable, and the sooner the Government ratify it, the sooner others may be encouraged to do so.

I welcome the order because I welcome the convention that it is designed to enable the Government to become a party to. That convention has a desirable purpose that hon. Members will not find it difficult to embrace.

10.57 pm

Mr. John Browne (Winchester): I welcome the order and the establishment of the committee. Torture is not only illegal but, as my right hon. Friend the Minister said, an abomination. It still goes on in sometimes subtle forms in Europe. There is, for example, the use of solitary confinement. The case of Captain Hayward in Sweden is one that comes to mind——

Mr. Deputy Speaker: Order. I thought the hon. Gentleman was listening earlier when I had occasion to remind the House that we were not discussing such matters. I hope that the hon. Gentleman will not pursue them.

Mr. Browne: I was just beginning my introduction about torture——

Mr. Deputy Speaker: Order. Introductions can be just as much out of order as perorations.

Mr. Browne: I accept that, Mr. Deputy Speaker.

I welcome the order and the establishment of the committee. I particularly support the establishment of the spot-check visits. In a light vein, I ask my right hon. Friend whether the Whips' Office will be open to inspection. In more serious vein, I ask about the limitations on the committee's activities during interrogations about serious crimes. I agree with the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) that serious questions are raised. Those are just the times when the sort of torture that we are trying to combat most readily occurs. We must increase the coverage of spot checks.

Mr. Menzies Campbell: Does the hon. Gentleman agree that if interrogations are the times when the greatest scrutiny is required, they may well be the times when the committee must flex its muscles and show its powers? Are not those the times when its immunities will be all the more valuable to it?

Mr. Browne: When ratifying the convention, the Government must seriously examine the possibility of increasing these powers. This limitation on them must be re-examined, too. I agree with inviolability in respect of documents and papers.

Will my right hon. Friend ensure that interviews with selected subjects on visits will be carried out free from official host Government eavesdropping, particularly in the form of tape recordings and other electronic devices? That is a violation of what the committee is all about. Will she assure the House that private interviews will be really private, even in an electronic age?

I congratulate the Government on keeping the initiative going and supporting it with an order and the establishment of a committee which I and most people, if not all, entirely support.

11 pm

Mrs. Chalker: With the leave of the House, Mr. Deputy Speaker, I thank hon. Members for their contributions to this short debate. I have listened with interest to some of the useful points made. There were a number of specific questions, some of which do not fall within the order, and I shall write to hon. Members to clarify those points.

I can tell the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) that I think that the Committee is being set up in the right way. He asked a series of questions about powers and delays that might be promoted by the state under investigation. If that is to be the case, that matter will be alighted on immediately by the Assembly of the Council of Europe. I am sure that such matters would not continue for more than a short time.

The hon. Gentleman spoke of what was to him the peculiarity that Turkey had not only signed the convention on 11 January 1988 but that its national assembly ratified the convention of 25 February and was the first Parliament of the Council of Europe's state members to do so. That is an encouraging development. It is early days, but I believe that Turkey is seeking to put behind it many of the things that we believe to have happened in the past which it now says it wishes to cease.

I am sure that many elected in the recent elections in Turkey are determined to honour the provisions of the convention on the prevention of torture and certainly the inspection on demand of police and prison facilities by the committee is welcome.

Progress is beginning to be made, but I agree that much needs to happen. I would not quarrel with the hon. Gentleman on that. But Turkey has completed procedures to ensure the effective implementation of article 3 of the convention on human rights and that progress was reported more than a year ago now in the Council of Europe when the Commission of Human Rights reported.

Turkey has also said that it accepts the rights of individual petition to the Commission of Human Rights, although it has expressed some reservations. There are many other signs of progress in Turkey. We must do all we can, as my right hon. Friend the Prime Minister did on her visit to Ankara, to ensure full respect for human rights in Turkey, as every Government must do in their own country.

The hon. Gentleman went on to ask me about the timetable for ratification. Three member states have already signed and ratified. We are coming before the House tonight and will go to another place, I believe next week, to ask for its agreement to the ratification of the order. That leaves three member states who have still to ratify the convention. I cannot say exactly when that will be, but I am sure that it will be within months, and then the convention will come into force. It can do so, as I think the hon. Gentleman is aware, once seven member states have ratified the convention. Then the committee will be set up.

The hon. Gentleman asked a number of questions about the export of instruments of torture. I think that it would be sensible for me to write to him about that. He also asked a specific question about dependent territories: would they be part of the process? They have the option, which I sincerely hope that they will all take up, of having the convention extended to them. The hon. Gentleman and the House will be glad to know that the Isle of Man and Jersey have already said that they will be doing so. We are waiting to hear from Guernsey, and Gibraltar is also being approached. In that sense, the convention will have an even wider scope than the hon. Gentleman may have thought.

The hon. Gentleman asked about information being given to prison governors and others that the committee had been set up. That is really a question for my right hon. Friend the Home Secretary, but what the hon. Gentleman said on this occasion seemed good, sound common sense, and I hope that we shall be able to meet the intention that lay behind his remarks.

I think that I have covered all the relevant questions that the hon. Gentleman asked. I believe, however, that we should probe how the committee will work and for that reason the questions asked by my hon. Friend the Member for Hendon, North (Mr. Gorst) were also interesting. My hon. Friend will find that the mental condition of persons detained is covered in article 7 of the convention, which stipulates that the committee may appoint any expert whom it needs for particular visits. That expert will have the same immunity as committee members while working with them on a case. In that and perhaps other circumstances, I believe that my hon. Friend's anxieties are fully met.

My hon. Friend went on to speak of the use by some countries of solitary confinement. Obviously, I cannot speak for all countries, but the general intention expressed by members of the Assembly of the Council of Europe leads me to believe that if there are arrangements for

[Mrs. Chalker]

solitary confinement in any of the states that will be party to the convention they will ensure, as we do, that they do not constitute torture, or inhuman or degrading treatment.

My hon. Friend the Member for Winchester (Mr. Browne) was concerned about the privacy of interviews. Article 8 of the convention lays down that interviews must be in private, and access by the committee must be without restriction and unlimited. My hon. Friend's fear that it might be fixed is already well covered by the convention, which requires that the actions of the committee shall be without limit in the sense of the pursuance of the articles. There are many ways in which hon. Members sometimes find their privacy threatened, but if they try to have nothing to hide, they will find themselves in much better order.

It would be easy to reiterate some of the points on which we all feel extremely strongly. The ratification of the United Nations convention against torture later this year is another way in which we will be marking the 40th anniversary of the universal declaration of human rights.

The hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) asked about another case. I shall be writing to him about that, but we seek to follow the principle that I have enunciated in this and in my opening speech. We must go on ensuring that the right procedures are in place to follow up the anxieties which, rightly, are readily expressed in the House and in many other Parliaments when Governments exceed what is right, sensible and reasonable in pursuing affairs of state and the security of the state.

As I have said, the last 20 years have seen much progress in the protection of human rights. We must maintain the momentum that we have achieved; we must ensure that the protection of human rights and fundamental freedoms is really safeguarded. The order, and the convention to which it relates, mark further progress.

I think I have said quite enough for tonight and therefore, once more, I commend the order to the House. I hope that it will be ratified as soon as possible after it has been considered in another place. The hon. and learned Member for Fife, North-East (Mr. Campbell) asked about that. I repeat that we wish to give the order all speed. We wish to see it in force.

Question put and agreed to.

Resolved,

That the draft European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (Immunities and Privileges) Order 1988, which was laid before this House on 12th April, be approved.

PETITION

Murder

11.10 pm

Mr. Anthony Coombs (Wyre Forest): I seek leave to present a petition from several thousand people of the west midlands and mid-Worcestershire who are particularly concerned about the recent killings of children in the area and the sixfold increase in murders since capital punishment was abolished.

The petition states:

The Humble Petition of Wyre Forest constituents and friends sheweth that in the United Kingdom there has recently been an unacceptable increase in the taking of life of innocent victims.

Wherefore your Petitioners pray that your Honourable House restores capital punishment for the taking of life of innocent victims.

And your Petitioners, as in duty bound, will ever pray, etc.

I beg leave to present the petition.

To lie upon the Table.

Rover Group

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lightbown.]*

11.11 pm

Mr. Dave Nellist (Coventry, South-East): My hon. Friend the Member for Coventry, North-East (Mr. Hughes) had intended to be here and we had arranged with the Minister that he would also make a contribution to the debate. Unfortunately, his wife, Ina, has gone into hospital today for an operation and he cannot be with us.

This short debate is a continuation of the debate that began last Thursday on the privatisation of Rover. For the Minister's information, it is also a prelude to the further debate that we shall have on Rover after which I hope we shall have the opportunity to oppose the shabby deal in a Division.

As *The Guardian* put it, if you, Mr. Deputy Speaker, wanted to buy a Rover 800 it would set you back about £12,000. If you took the rest of the company as well you would get it for nothing and the Government would throw in £650 million and extinguish most of your debts.

About a year ago *The Economist* produced a pamphlet that cost about £90 entitled,

"The United Kingdom as a tax haven."

Clearly it did not have in mind Government bribes of such a scale as the one for Rover. Frankly, the deal stinks. It is a massive theft of working people's money. It is the industrial equivalent of the Tory Westminster council's 5p cemeteries. The *Financial Times,* hardly a Militant newspaper, stated:

"British Aerospace is making off with United Kingdom taxpayers' money on a scale which makes the Great Train Robbery look like loose change."

As my hon. Friend the Member for Bolsover (Mr. Skinner) said in the debate last Thursday, the role of the right hon. Member for Chingford (Mr. Tebbit)—the ex-Tory party chairman—has never been satisfactorily explained. In last week's debate it is instructive to note that, according to the Chancellor of the Duchy of Lancaster, British Aerospace first approached Rover and then the Government. I refuse to believe that the right hon. Member for Chingford had no part to play in those exchanges.

Thirteen years ago, Rover, then British Leyland, had to be rescued by the Labour Government because it had failed under private ownership and become virtually bankrupt after four years of Tory Government. Its book asset value on collapse, with numerous plants and hundreds of thousands of workers directly and indirectly dependent upon the success of the company, was less than the London office block Centre Point.

After those 13 years and £2,900 million of public investment, the company is now back in profit. For the Government, with so many of their Back Benchers opposed to public investment, the role of that money has been to finance the decline of a car industry that private investors would not properly support. Now that the company is just profitable, with pre-tax profits of £28 million, it will be not the taxpayer, who provided the cash, or the work force, which made sacrifices in jobs and working conditions, who will benefit, but the spivs and the speculators who will cream off the possible gains.

The problems of Leyland in private ownership stemmed essentially from the failure to invest. There are grave fears that in the years ahead, especially with the merger, the same problems could arise again. Immediately before nationalisation—if we want to be pedantic, when the Labour Government took over 99·7 per cent. of the shares—British Leyland was still paying dividends while desperately needed investment was being neglected. I remember a study that took place in the late 1970s of the assets per worker in the British car industry and the comparisons that were drawn with Germany and Japan. The study revealed that for every British car worker there was £7,000-worth of machinery, compared with £23,000 in Germany and £32,000 in Japan. The difference between Britain and Japan could be illustrated by giving one worker a spade and another a tractor, asking both to turn over fields and then berating the worker with the spade for taking two weeks to complete the task while congratulating the other with the tractor for finishing the job in two hours.

The result of that lack of investment, which was decided by management and approved by shareholders, who were raking in dividends, was that the British market share of British-owned car companies fell between 1968 and 1987 from 40·6 per cent. to 15·5 per cent. The blame for that fall was heaped on the backs of car workers by the press, management and Tory Members. However, the car workers never controlled and never managed. They never decided where the wealth that they had created was to be invested.

We were told last week that there was no alternative to the privatisation of Rover and the gift to BAe, but there is a Socialist alternative: first, total opposition to the privatisation of Rover; secondly, nationalisation of Ford, Vauxhall, Peugeot, Jaguar and Nissan, for example, to form an integrated, publicly owned car industry capable of matching the production levels of General Motors, Ford and Nissan on a world scale, with the workers in the driving seat.

On 4 May, the Chancellor of the Duchy of Lancaster said:

"the board of Rover Group has always looked forward to the day when the businesses of the Rover Group could be returned to full private ownership."

A future Labour Government must ensure that the boards of public companies are staffed by those who are committed to full public ownership, management and control. That can be guaranteed only when a majority of seats on the boards are occupied by trade unionists from within the industry and the trade union movement generally. Nationalisation plus Lord Robens, Ian MacGregor and Sir Michael Edwardes has never equalled Socialism.

In the two months since the deal was first announced, and despite Tory Members' assertions last week to the contrary, doubts and fears have filled the minds of car and aerospace workers. They are apprehensive about the future, especially when it comes to continuity of employment. There has been no discussion or consultation with the trade unions, despite two letters, dated 1 March and 29 March, from Graham Day, the chairman and chief executive of Rover, each of which contained three or four paragraphs. I checked that yesterday and today with the conveners of two major plants. There have been no ballots on the proposals among the work force. Those Tory Members who spoke last week about the delight of workers at the takeover were making up those assertions.

There are no guarantees for jobs in this shabby deal. Last week the Chancellor of the Duchy of Lancaster said:

[Mr. Dave Nellist]

"were British Aerospace to decide for some reason to relinquish . . . any substantial part of the undertakings of those subsidiaries"—

the Rover subsidiaries—

"British Aerospace could be required to repay any net economic benefit."

When asked by my hon. Friend the Member for Oxford, East (Mr. Smith) to define "substantial", the right hon. and learned Gentleman replied:

"We have not defined that aspect in any substantial or quantified terms—it will be a matter of judgement at the time."

In the next column the right hon. and learned Gentleman said:

"we have not made the conditions inflexible. It is not necessarily the case that they will be insisted upon by the Government."

He added:

"Circumstances might arise in which British Aerospace wished to dispose of a subsidiary company. Therefore, we leave open the possibility that the Government might waive the condition. For the moment, British Aerospace has no intention of doing any of the things I have talked about". —[*Official Report*, 4 May 1988; Vol. 132, c. 930-33.]

I have quoted those passages at length so that there can be no misunderstanding by workers at Rover or BAe. I could have put it more simply by merely quoting the unelected Lord Young on Channel 4's "Business Programme" on 6 March. He said:

"We will not impose conditions about manufacture at Cowley or Longbridge."

Do workers look to BAe for confidence in the future? Since privatisation in 1980, BAe has axed 11,000 jobs and realised land assets in the south, notably at Weybridge and Hatfield. Since the announcement of this sale, BAe has said that one sixth of the dynamics division will go before 1990—3,000 jobs—and that a further one third of aircraft division jobs are to go before 1992. That is hardly very inspiring for midlands car workers.

BAe has to ask the Government for launch aid for aircraft each time it wishes to initiate a major project. Will BAe be capable of generating investment to keep Rover even in the second division of the European car league when, at the end of March, it had to set aside almost £400 million to cover the expected losses on civil aircraft orders as a result of the falling dollar?

Do car workers, or aircraft workers, look to Rover's management for job guarantees? Since 1977, Rover has systematically reduced its work force from 172,000 to 60,000. Thousands upon thousands of those redundancies were in Coventry. My city has suffered more, perhaps, than any other city from the collapse and decline of the car industry. The apparent strategy—I say "apparent" because Graham Day has abandoned it in the last two years—during that period was to increase the share of the market and to boost profitability by reducing wages and increasing production. From 1980 to 1987, the productivity of the British car industry increased by over 100 per cent. In 1977, each Rover worker produced 6·5 cars. Last year that figure had risen to 16. During those 10 years, four assembly plants and 13 components factories were closed, yet production is still not much more than half what it was in 1972.

In order further to control the increasingly exploited work force, Rover's management has sought to undermine the organisation of workers and their ability to defend themselves. *[Interruption.]* They have been ably abetted—apparently, judging by the laughter of the Government Whip and the Minister, with some enjoyment—by the panoply of anti-trade union legislation that has been enacted by this Administration.

The onslaught against shop floor organisation has involved victimisation—for example, of the conveners Derek Robinson at Longbridge, Ian Schofield at Solihull and my hon. Friend the Member for Coventry, North-East at Unipart. They were all sacked for carrying out their trade union responsibilities. *[Interruption.]* If the Minister wishes to intervene, he ought to investigate the facts surrounding the sacking of Derek Robinson. He will find that he was sacked because, as convener of shop stewards, [redacted]ut his name to a trade union document that argued for the expansion of the car industry and the protection of jobs. I remember that clearly, because I was working for a subsidiary of British Leyland at the time. It also involved Rover in using that insidious organisation, the Economic League, to blacklist good trade unionists—a practice that has now spread to other car firms, such as Peugeot-Talbot in Coventry.

Sir Michael Edwardes, the former BL chief, was appointed by a Labour Secretary of State and knighted by the Tory Government in 1979, within days of gaining office. But he is hardly unique. Last week the Chancellor of the Duchy of Lancaster praised Graham Day, the current boss of Rover. Mr. Day was brought in to speed up privatisation; he was brought in as an undertaker disguised as a physiotherapist. While his knighthood might now be just a formality, for my money the man is a butcher. After he had been three years in charge of British Shipbuilders, the work force fell from 65,000 to 10,000. Since May 1986—*[Interruption.]* Again, the Minister and the Government Whip seem to find the poverty, the misery and the unhappiness that redundancy has brought to the families of workers who lost their jobs in the north-east and other areas due to the decline of British Shipbuilders extremely funny. That may well be something, with the luxury of ministerial and Whips' salaries, from which they can be insulated. Having come down from the north to this palace of varieties called Westminster, I view it from a different perspective.

Since May 1986, with only two years at the helm of Rover, Graham Day has sold 18 businesses. With privatisation, the Tories are now ransacking the rest of the cupboard to please their friends in big business. Mr. Day does not particularly care about jobs or producing goods. He said, in another direct quotation:

"We want to make money. People keep talking of market share, but the objective is to become profitable."

That is capitalism in a nutshell. It is not about making goods or safeguarding jobs; it is about making money. With Day and Smith in charge, profit will be king. The jobs of car or aerospace workers will come a very poor second.

All that would be true on the basis of the status quo; but the future of the car industry is tied up with the health or otherwise of the economy as a whole. With the onset of recession in the United States of America—and no doubt next Tuesday's trade figures from the United States will give further evidence of that—the world's largest car market will begin to contract. Companies like Jaguar and Range Rover, which export 50 to 60 per cent. of their output to the United States, will be particularly hard hit.

The rapidly falling dollar, which is both a cause and a symptom of the disease of American capitalism, is already causing them to feel the pinch.

In January this year, the West Midlands enterprise board produced a sector review on the motor vehicle and components industries. Quotations from that are illuminating.

"The world and European car industries are heading for a period of global over-capacity in which competition will intensify and some plants or parts of plants will face closure for two reasons; firstly, the build-up in Japanese capacity both in the US and increasingly in Europe, and secondly, the fact that most of the major manufacturers will be retooling and introducing new models at an accelerated rate in the next few years . . . Japanese companies will have the capacity in North America to produce 2·3 million cars annually by the early 1990s either independently or through joint ventures . . . Such is the capacity build-up in the US, along with the fall in the dollar, that Japanese exports to Europe from the US in the 1990s is becoming a possibility . . . implications of this are that European manufacturers will face increasing difficulty in exporting to North America."

A more recent article in *The Independent* by the industrial editor, Jonathan Davies, says:

"The Japanese motor industry is going through its worst year in recent memory. Of the seven leading manufacturers, only two, Toyota and Honda, are operating profitably—and they expect their profits to fall by at least a half in the current year. The others are faring worse. The reason is not hard to find. All the Japanese are struggling to live with the rapid appreciation of the yen over the last 18 months, which has wiped out most if not all of the profit on the 3·7 million cars which are exported . . . Yet nobody in the European or American car industries is rushing to gloat at the unusual spectacle of their Japanese counterparts running to the Government in Tokyo with appeals for help. For one thing, the outlook for their own performance this year is far from inspiring. Demand for cars looks certain to fall quite sharply from last year's record levels in Europe and the US, and competitive pressures from both domestic and foreign manufacturers will pare margins to the bone . . . the Japanese have been stepping up their investment in overseas car production. Nissan's decision to build its green field assembly plant in north east England is just one example of a trend towards overseas production which began in the US and has been replicated in most European countries."

The logic of that is that in the next two or three years, managements will continue, and most likely intensify, their attacks on workers and their organisations.

The recent speed-up of track speeds and the increased exploitation of car workers have led to two things. On the one hand they have led to increasing stress and strain, which I mentioned last week in an intervention. For example, 17 shop floor workers in a six-week period towards the end of last year at Jaguar in Coventry died either from stress-related diseases or from strokes. When I put that to the hon. Member for Birmingham, Northfield (Mr. King), he said:

"The facts speak for themselves. If they are to survive, the productivity and performance of companies must be of a high standard. The output of Jaguar is still nowhere near the level of some of the European factories, which seem to manage perfectly well. I cannot comment on the physical standards of shop stewards and employees." – [*Official Report*, 4 May 1988; Vol. 132, c. 949.].

That speaks volumes for the synthetic concern that we hear in this Chamber from Tories about health and safety in the industry.

The second point that has come from the increased exploitation of workers has been the return of militancy to the car industry. I refer to Ford, Land Rover, Vauxhall and Jaguar. Again, virtually the whole car industry has been involved in strikes and overtime bans, or has come close to them, as pressures of exploitation increase and workers take the opportunity—soon to disappear—of relatively full company order books.

In last week's debate, Tory Members hypocritically attacked the Transport and General Workers Union at Ford in Dundee for an alleged loss of jobs, yet, in the past seven years, the millionaire directors of Ford have presided over the cutting of 30,000 jobs in Britain. Their plans for Dundee included workers on half the wages of other Ford workers. They wanted to emulate Nissan, where it is not so much a one-union deal as a no-union deal. Fewer than 10 per cent. of the 1,400 workers are members of the AUEW. That was achieved by Nissan interviewing 30,000 workers for the original 500 jobs and weeding out any workers with a trade union history.

I shall finish with some questions that were not answered in last week's debate. Why were there no consultations with the trade unions in the car industry or in British Aerospace? Why was there no ballot of the workers to be affected by the merger? What is the future of Longbridge, Cowley and the existing Aerospace plants? Does the five-year guarantee cover all existing plants within BAe and Rover? Where will the new large-scale investment come from to continue producing volume cars? What guarantees exist for jobs? The Minister offered half an inch of hope in the last sentence of his contribution last week, when he said:

"We are exceedingly proud of the deal and more than content for it to be subjected to scrutiny when it is completed".—[*Official Report*, 4 May 1988; Vol. 132, c. 971.]

On 28 October last year, I asked his boss, the Chancellor of the Duchy of Lancaster,

"if he will introduce a comprehensive system of departmental monitoring of privatised concerns."

That is after the hundreds of jobs lost at Alvis after privatisation from Rover in Coventry, and after the 20 per cent. cut in jobs within six weeks of the privatisation of Self-Changing Gears from Rover in Coventry, and after the 80 per cent. cut in the original 3,000 work force of Coventry Climax after privatisation from Leyland in Coventry. The Chancellor of the Duchy gave me a nice, simple answer:

"No, Sir."—[*Official Report*, 28 October 1987: Vol. 121, c. 297.]

I hope that the Minister wins the battle in the Department and that monitoring takes place.

This deal stinks. The future for car workers, particularly with the chill winds of economic recession blowing across the Atlantic, is again looking bleak. If the deal goes through, trade unions in Rover and Aerospace will have to come together at shop steward level and build a stronger, combined organisation to resist the cuts that Day and Smith and the Government obviously have in mind.

11.34 pm

The Parliamentary Under-Secretary of State for Industry (Mr. Robert Atkins): In the short time that he has left for me, I shall deal with some of the points that the hon. Member for Coventry, South-East (Mr. Nellist) has raised. It is customary for the Minister, in replying to an Adjournment debate, to congratulate the hon. Member on securing the debate. I should not wish to depart from that fine tradition. The hon. Gentleman is to be congratulated on his achievement in bringing this subject to the attention of the House, but he will agree, for different reasons, that we have had an excessive focus on the subject. I suspect

[Mr. Robert Atkins]

that many of those who are involved in considering the deal that has been the subject of interest and debate will learn from the *Hansard* columns as they will from the other comment that has been made about it.

You, Mr. Deputy Speaker, and my hon. Friend the Member for Staffordshire, South-East (Mr. Lightbown) will not be surprised to hear that I could not disagree more fundamentally with almost everything that the hon. Gentleman has said. I suspect that that will please him immensely, as he would be extremely worried if I were to agree with him. As he knows, on 4 May, I stated that I represent a constituency that saw the beginnings of Leyland Motors, which grew into what is now the Rover Group. I have a substantial constituency connection with British Aerospace. I have talked to the work force in my constituency and in surrounding areas. I know exactly what their view is and while of course one or two are worried about what will happen, the vast majority of those I have spoken to are entirely in favour of the deal.

A variety of people—for example, the component manufacturers, and even, in the hon. Gentleman's own constituency, the managing director of Parkside Garages—have taken up the matter with the hon. Gentleman. To his credit, he made it vehemently clear that he believed, as he said earlier, in a completely nationalised motor industry. I imagine that Mr. Davies, the chairman of the Austin Rover Midlands Region Dealer Association, was shocked even to his experienced core by the response that he got from the hon. Gentleman, in that he was not prepared to listen at all or to take account of those repesented by the dealer association.

I have sympathy with my hon. Friend the Member for Birmingham, Northfield (Mr. King), who, in the debate on 4 May, cautioned against over-exposure of the Rover Group's affairs in the House. I do not believe that it is in the interests of the group, which means its employees and the dealers to whom I have referred, to have its model strategy and investment plans exposed to sometimes gratuitous and necessarily only partly informed comment, to which it is often very difficult to respond without further breach of commercial confidentiality. For that reason, if for nothing else, I am grateful to the hon. Gentleman for saying in the second part of his speech that his concerns were with the motor industry generally. It is on this that in the short time left to me I want to speak.

I cannot add a great deal to what has already been said on this subject in the debate. The hon. Gentleman has intimated that he may have to pursue the matter further, and that is his privilege. I shall be happy to respond, because I have no fears over this deal which will be of benefit to a wide variety of people within the Rover Group and British Aerospace and to many constituents of my hon. Friends throughout the country.

I turn briefly to some of the companies whose fortunes are of interest to the hon. Gentleman and his constituents, and incidentally to those of my hon. Friend the Member for Coventry, South-West (Mr. Butcher), who, like me, is a Minister in the Department of Trade and Industry and never ceases to represent the interests of his constituents in a different but just as positive a manner as the hon. Gentleman.

I happen to think, as my hon. Friend does, that Jaguar, for example, is an outstanding example of a British company whose reputation for quality and performance is established worldwide. Since privatisation, sales records have repeatedly been broken; successful new models, such as the XJ6 and the convertible XJS, have been produced; productivity has risen spectacularly—threefold since the early 1980s; and employment has increased by many thousands. It would be hard to find a more telling instance of the general lesson that the route to the creation of secure jobs is the efficient production of the goods the world wants and is prepared to pay for.

Another outstanding success in a different part of the market has been Peugeot-Talbot's expanding operations at Ryton. Following the £30 million modernisation programme for the 309 model, Peugeot has invested a further £19 million in the 405, the 1988 European car of the year. Start-up of the 405 production has led to a second shift at the Ryton plant, creating some 1,400 new jobs. Both these excellent models, built at Ryton, have been produced not to supply the United Kingdom market alone but for export as well. Nearly 15,000 309s have already been exported, and many 405s will be built for the European market.

The hon. Gentleman referred to a number of questions that he wanted answered and believed, understandably, had not been dealt with from his point of view, since he did not participate greatly in our debate the other day. While, inevitably, I have not time to deal now seriously and at length with the points that he raised, I shall be more than happy, and will endeavour, to write to him to answer them. He raised them rather late in his speech and I feel that he deserves a detailed answer.

I believe, as do many people who understand the motor industry generally, that there has been a renaissance of the industry, which has come about because it has endeavoured to overcome the many problems that it has faced in recent years.

One of the reasons for that is the economic climate which the Government have created. Gone is the era when fine-tuned demand management made planning a nightmare. How could the motor industry, with its characteristic long lead times for development, find the confidence to invest in a climate of stop-go economics in which the industry itself was used as a key instrument to regulate demand and activity? The stability of the Government's overall economic policy has provided a welcome respite from this for the car industry, as for United Kingdom industry as a whole, and replaced it with the prospect of continuing growth, combined with low inflation. Second must be the transformation of industrial relations. The Government have contributed by erecting a proper legal framework, but the real contribution has come from management, with renewed freedom to manage, working together with employees who realise that there is a common purpose in seeing off foreign competition.

In my constituency, when I drove off the line the 50,000th Leyland truck, I was able to tell the work force that it had done a tremendous job, along with management, in the face of overwhelming difficulties to bring the company into the 1980s and 1990s. I am sure that hon. Gentleman will agree with me about the work force in the industry.

Although the hon. Gentleman is knowledgeable because of his experience in his constituency, I believe that his assessment of the solution is wrong, as are his conclusions. I hope that he, along with me and many of my

hon. Friends who believe that much has been achieved although more still needs to be done to put the motor industry in a better position for the 1990s and the year 2000, will recognise that the hook on which he hung his speech—the Rover Group-British Aerospace deal—will be good for the industry, for his constituents and mine, and also for industry as a whole throughout the United Kingdom.

Question put and agreed to.

Adjourned accordingly at nineteen minutes to Twelve o'clock.

House of Commons

Friday 13 May 1988

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PETITION

Abortion (Amendment) Bill

9.35 am

Mrs. Teresa Gorman (Billericay): I beg to present a petition on behalf of my constituents in Billericay:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, the humble Petition of UK Residents showeth that the Abortion (Amendment) Bill which proposes to reduce the upper limit of abortion will, if enacted, restrict women's choices, endanger their health and open the door to further attacks on the 1967 Abortion Act.

Wherefore your Petitioners pray that your Honourable House do Vote against the Abortion (Amendment) Bill.

To lie upon the Table.

Orders of the Day

Motor Vehicles (Wearing of Rear Seat Belts by Children) Bill

As amended (in the Standing Committee), considered.

New Clause 1

REGULATION-MAKING POWERS

'In section 199, subsection (2A) of the Road Traffic Act 1972 (exercise of regulation—making powers and Parliamentary control thereover), leave out "section 33A" and insert sections 33A and 33C", and leave out "that section" and insert "those sections" wherever those words occur.'.—*[Mr. Waller.]*

Brought up, and read the First time.

9.36 am

Mr. Gary Waller (Keighley): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to take the following amendments: No. 1, in clause 1, page 1, line 7, after 'regulations' insert

'approved by affirmative procedure by both Houses'.

No. 2, in page 1, line 15, after 'regulations' insert

'approved by affirmative procedure by both Houses'.

No. 3, in page 1, line 30, after 'section,' insert

'approved by affirmative procedure by both Houses'.

No. 18, in page 2, line 3, at end insert—

'(2A) In section 199 of the 1972 Act (exercise of regulation-making powers and Parliamentary control)—

(a) In subsection (3) after "33A" there shall be inserted ", 33C"; and

(b) In subsection (4) for the words "or 33A" there shall be substituted the words ", 33A or 33C".'.

Mr. Waller: As there has been some speculation about the intention of my hon. Friends and I in the House today, I wish to make it clear immediately that my intention—I speak for myself only—is to address myself specifically to this Bill. It has been said that others are interested in other Bills today. I favour the Bill in the name of the hon. Member for Liverpool, Mossley Hill (Mr. Alton) and I am certainly sympathetic to the Bill in the name of the hon. Member for Islington, South and Finsbury (Mr. Smith).

I assure my hon. Friend the Member for Cheadle (Mr. Day) that, whatever happens today, I shall certainly be anxious to ensure that I do everything in my power to promote the safety of children in cars. If his Bill achieves its Report stage and Third Reading today, I shall be happy to work with him and my hon. Friend the Parliamentary Under-Secretary of State for Transport to ensure that it works as effectively as possible in the interests of all car occupants, particularly children.

The new clause relates to the Road Traffic Act 1972 and I shall explain precisely what it seeks to do. There are three provisions. First, when the Secretary of State proposes to make the first regulations for which this Bill makes provision he would be required to lay before each House of Parliament a statement explaining those proposals. Secondly, after that, a period of three months would have to ensue before the regulations were laid before Parliament. Thirdly, and equally important, the regulations would expire three years after they came into force

[Mr. Waller]

unless their continuation in force had been approved by both Houses. Those provisions are similar to those which apply to the original seat belt regulations for drivers and front seat passengers. The two principal requirements are the explanatory statement and the need for regulations to be renewed once we have experienced them over three years.

It is vital to have a statement before regulations are laid before Parliament because essentially the Bill is to be regarded as a shell. The essence of the legislation—I do not think that hon. Members will disagree strongly with this—will be incorporated in the regulations that the Minister will lay before Parliament. I fear that the regulations may have to be more complex than they appear to be at present. It is important that the Minister explains his proposals before he puts them into practice.

It may be said that after regulations are laid before Parliament there is a period before they are passed, whether it be by the affirmative or negative procedure. I think that the hon. Member for Bradford, South (Mr. Cryer) intends to speak about that. The problem is that when the House considers a statutory instrument it can pass it or reject it, but it cannot amend it. Given the complex nature of the regulations, the chances are that the Department may not get them right. In one respect at least, the legislation is defective at present because it does not provide for exemption certificates.

If there had not been an opportunity to amend the Bill, it could have passed into the law in a defective form or would have had to be withdrawn. There is provision to amend the Bill but not a statutory instrument, so an explanatory statement should be made.

If the regulations are laid without the House having an opportunity to examine the issues involved, the chances are that they will be defective. If the House had an opportunity to study a statement there would be a period of three months to make representations to my hon. Friend the Minister so that improvements could be made to the Bill. We all agree that it is important to get regulations and the legislation absolutely right.

Mr. Eric Forth (Mid-Worcestershire): My hon. Friend has implied on more than one occasion that, at the current stage of thinking and development, this measure may have been defective when it was introduced. Would the procedure that my hon. Friend is outlining be adequate to deal with its possible shortcomings? Is he sufficiently unhappy with the regulations that he feels that what he is suggesting may not be enough to provide safeguards against the shortcomings that have been identified?

Mr. Waller: We are still at an early stage. We have had an opportunity to listen to the views of my hon. Friend the Minister. He has said that he must consider the exact form of the regulations and that he will listen to representations at this stage. There is a long way to go before we can begin to think about whether the regulations are right or wrong. There is no guarantee that when they are laid before the House we will have got them right. There should be a wider debate before the regulations are laid so that everybody can express their opinion.

9.45 am

If this legislation becomes law it will have benefited from the fact that it has been open to amendment. I hope that we shall pass amendments that will improve the legislation and make it more acceptable. The difficulty is that the legislation is drafted in very general terms and it is difficult to know the exact form that the regulations may take.

Mr. Forth: I must press my hon. Friend about this matter. He has said once or twice that we are in the early stages, which slightly puzzles me. We are in the late stages of the Bill, and if major reservations are being expressed we shall have to address them fully. I am slightly alarmed that my hon. Friend is suggesting that it is all over bar the shouting and that we may not have to look in considerable detail at this measure. Are we at the late or early stages?

Mr. Waller: The Bill will have to be considered in another place if it is passed. We are at a late stage of this legislation, but I must emphasise that the meat of the new rules will be in the form of regulations, and we are not at an early stage of the regulations. I am concerned to ensure that when the regulations are laid we have an opportunity to get them right.

I should like to consider some of the issues that would be included in an explanatory statement and which subsequently would have to be addressed by the regulations. I hope to show that we need a statement to get the regulations right. The first problem is one to which hon. Members favouring and opposing the Bill have referred. It arises when the number of children carried in the rear of a vehicle exceeds the number of seat belts fitted. One thinks of a large family with three or more children when there may be only two rear seat belts fitted to the car. What happens if it is not possible to provide restraining devices for all the children because there are not sufficient mounting points? An explanatory statement would have to address whether it would be more dangerous to put two children in seat belts, thus providing less space for the other children than they would have in other circumstances.

Many people have spoken of the school run and the way in which parents share the duty of taking children to and from school. There may be two adults in the front and three children in the rear of a medium or large motor car. The permutations are endless. If parents are to consider what it is best to do for their children, they must be given guidance on the permutations for placing children in restraining devices. We must not have legislation that does not address these matters.

Mr. Stephen Day (Cheadle): Does my hon. Friend agree that the points that he is making were well covered on Second Reading? It was explained that the Bill does not in any way materially affect the number of children carried in the back of a car. It applies only to the number of seat belts fitted. The moral dilemma about which child should be restrained exists at present; it does not arise because of the existence of the Bill. My hon. Friend took part in the debate on Second Reading, and if he looks at *Hansard* he will see that the matter was well covered.

Mr. Waller: My hon. Friend is over-simplifying the matter. On Second Reading and in Committee my hon. Friend the Minister addressed this problem quite carefully, although we have not voted on it at any stage or considered it in great detail. I do not want to labour the

point, but I mentioned it as an issue that will have to be considered in the regulations and therefore should be considered in a statement before regulations are laid.

Ms. Harriet Harman (Peckham): Does the hon. Gentleman agree that the evidence that appeared on Second Reading and in Committee and the evidence that led to the Bill being introduced showed that if a child is unrestrained in the back seat without a seat belt it is in danger? Does he not share the simplicity of my view that if it is dangerous for a child to be in the back of a car without a seat belt, it should not be in the back of the car and other arrangements should be made? It is very difficult to balance convenience with children's lives. Is it not inconsistent for the Bill to claim that children should wear seat belts in the rear of the car, but if there are more children than seat belts some children may be unrestrained?

Mr. Waller: The fitting of child restraints in the rear of cars is not compulsory. It is conceivable that people will have to carry children whom they do not normally carry in the car. I would not want to tell people that they should never carry children in the car whom they do not normally carry simply because there is no restraining device fitted for that child. That would be going too far and many people would regard that as an unreasonable demand.

The problem of the child who is not normally carried in the car is very important and should be addressed in the statement. Would it be necessary to install a seat belt rather than a child restraining device for a child who was too big or too small for a restraining device in the car? People need guidance on that.

My right hon. and learned Friend the Chancellor of the Duchy of Lancaster used to be a Transport Minister and referred to the dangers that might exist if children who were too small were placed in a seat belt normally used for larger children or adults. We cannot expect car users to carry with them all the pads, adaptors or other equipment necessary to make a normal seat belt suitable for a child of any size. Those issues must be dealt with in a statement.

Clause 1 refers to

"the description of seat belt to be worn by children of any prescribed description."

That is a very wide definition. Clause 1 gives considerable prescriptive power to Ministers and future Transport Ministers who, unlike my hon. Friend the Parliamentary Under-Secretary of State for Transport who has responsibility for roads and traffic, may not take such a reasonable attitude.

I have spoken to mothers over the past few days and I am aware that there is some difficulty in placing some children in a restraining device. Should there be an exception for short journeys of up to half a mile where the danger involved in causing distress to some children may exceed the safety benefit of putting them in a restraining device?

Mrs. Audrey Wise (Preston): While the hon. Gentleman is referring to short journeys, has he given any thought to the problems that might arises with taxis? Unlike me, he had the benefit of being a member of the Standing Committee. I have taken it for granted that the Bill is all right. However, he is shaking my belief in that. Can he guide us about the problem with taxis?

Mr. Waller: In Committee the hon. Members for Glasgow, Shettleston (Mr. Marshall) and for Stretford (Mr. Lloyd) referred to the problem of taxis. I will deal with that in a moment because I believe that it is important.

Another issue which must be dealt with in some detail in an explanatory statement is the reasonable excuse provision incorporated in clause 1. Many people have given different views about what a reasonable excuse might constitute. It has been suggested that it might be a reasonable excuse for someone stopped by a policeman and told that he or she had a child in the rear of the car who was not belted in to reply that the child had undone the buckle or slipped out of the restraining device. We can all readily visualise that happening. Only last night a mother told me that her child aged one and half can slip her way out of a restraining device in the rear of the car in only a minute and a half. She learnt that trick from her brother aged 4. We should not underestimate the ability of small children to act as little Houdinis and get out of all kinds of positions in which they do not feel comfortable.

If a parent or driver of the car was to say that the child had undone the buckle or slipped out of the restraining device, what is the policeman to do? Should he ask the child, "Is it true what your mum says? Is it correct that you managed to get out of the seat belt?"

Mr. Barry Sheerman (Huddersfield): Is it not a fact that in nearly all cases the policeman will use his common sense, unlike some hon. Members who have spoken in Committee and this morning.

Mr. Waller: I think that most police officers are men and women of common sense. However, we all know of occasions when police officers have wanted to throw their weight about.

The question of reasonable excuse would put the police officer in a very difficult position. More significantly, it would be very difficult to enforce the legislation. If a driver made an excuse such as that to which I have referred, there would be no way of ascertaining whether it was correct. If a driver was stopped, the excuse to which I have referred would be the obvious thing to say. The driver would say, "Of course he was in the device at the beginning of the journey. Oh dear, he must have slipped out." It is difficult to see how a prosecution could be brought because no one would be able to gainsay that excuse.

Mr. Day: On a point of order, Madam Deputy Speaker. My hon. Friend the Member for Keighley (Mr. Waller) is addressing this matter as if we were debating Third Reading and not specifically new clause 1.

Madam Deputy Speaker (Miss Betty Boothroyd): As far as the Chair is concerned, the hon. Gentleman is making a valiant attempt to introduce new clause 1.

Mr. Waller: I am anxious to address myself only to points of detail that should be included in an explanatory statement.

Ms. Harman: Would it not be helpful for the Minister to tell us this morning that he will take some initiative to encourage manufacturers to develop rear seats and other devices for small children specifically designed to enable parents to put children into them and take them out easily but which would be very difficult for a child to get out of? The buckle of some devices is fixed on a child's tummy and the first thing that the child fiddles with is the buckle. Is

[Ms. Harman]

that not a design problem which the manufacturers must address? Should not the Minister encourage them to do that? Does he not agree——

Madam Deputy Speaker: Order. The new clause deals with regulation-making powers, not manufacturers' powers.

Mr. Waller: You have taken the words out of my mouth, Madam Deputy Speaker. However, I entirely agree with the hon. Lady's comments. Many people with whom I have discussed this issue have said that they would be more willing to use such devices if they were better designed.

10 am

Mr. Dafydd Wigley (Caernarfon): On a point of order, Madam Deputy Speaker. Is it in order to discuss regulations that could apply to manufacturers to ensure that the devices are workable?

Madam Deputy Speaker: Not under this clause. There may be an opportunity to do so later, with the amendments which are before the House. This clause relates to regulations.

Mr. Waller: I have made careful note of your comments, Madam Deputy Speaker, and I shall seek to avoid being drawn into issues that may be relevant to other amendments or to the Third Reading of the Bill. Essentially, I wish to confine my comments to the new clause.

Another "reasonable excuse" to which the statement should address itself is whether it would be reasonable never to restrain a child because of its tantrums. Some people might consider that to be a reasonable excuse, and others might not. Some courts, seeing the child in question and having sympathy for the mother or father, might not expect the parents to restrain the child.

Mr. Dennis Skinner (Bolsover): Fair point.

Mr. Waller: I would find it a reasonable excuse. I am grateful for the support of the hon. Member for Bolsover (Mr. Skinner), who, like other Members, might also consider it to be a reasonable excuse. Some magistrates might, but others might not. The only way in which we can start to provide greater safety for children is to allow for such matters in the regulations—but they should not be included unless the House has first had an opportunity to consider them by means of a statement. Once the regulations themselves arrive on the Floor of the House, we shall have no opportunity to amend them if we believe that, on this occasion, the Minister has got them wrong.

Mr. Skinner: The hon. Member for Keighley (Mr. Waller) mentioned my support for him. On occasions, and however difficult the situation may be, somebody has to say in this Chamber, "Most of the country wants these seat belts. It all sounds good, and it looks good in the tabloids. But what about the regulations?" What will the public say when they see the regulations and ask, "Who passed this lot?" We shall have to reply that it was pushed through one Friday morning, because the House was a bit conscious of something else.

The hon. Gentleman is drawing to our attention the fact that the regulations must be spot on, because we shall all be held responsible for them. I should like to know, for instance, whether the regulations will apply to ministerial cars. Will rear seat belts be fitted to ministerial cars? Not many Ministers could use them, but they do sit in the back. some of them tell me that they lie down in the back of their cars, late at night. Who could use such seat belts? Could the Minister for Sport slip into one? It is just possible. I should like to know whether rear seat belts will be fitted to ministerial cars and to the other vehicles in the car pool.

Mr. Waller: One of the Sunday newspapers printed a story the other week that the Minister for Sport had four children. The following week, the newspaper had to print a retraction, saying that the Minister for Sport had never been married and had no children at all, and apologising to him for any distress the story caused.

As to the hon. Gentleman's first point, and as is often the case, he has hit the nail absolutely on the head. Often, it is only when laws come into effect that we receive complaints from our constituents and are asked why we did not do something at the time. The country is not at this time aware of what is passing through the House and we have a responsibility to act on behalf of our constituents to ensure that we get this legislation right. The best way of doing that is by giving the House an opportunity of seeing a statement before the regulations come before it.

Even if the courts try to create criteria for what constituted a "reasonable excuse", the point is bound to be reached where courts will have a totally different concept of what is or what is not reasonable. I am sure that right hon. and hon. Members on both sides of the House will agree that it is very unsatisfactory to have laws enforced in haphazard and varied ways, if they can be enforced at all. Indeed, I have suggested that there might be some difficulty in enforcing such laws.

Another "reasonable excuse" which a driver might give, and which the House should consider before the regulations are put before it, is this. The driver might say, "I am only the driver. There is someone in the back of the car who knows the children far better than I do. If that person has undone the seat belt, I can hardly be held responsible."

I come to the points made by the hon. Members for Shettleston and for Stretford in respect of taxis. A taxi driver who claimed that he asked at the beginning of the journey for the children to be restrained but that, by the time his taxi was stopped by the police, they were not, would have a reasonable excuse. I have suggested that it might be worth while incorporating in the Bill a different provision so that the person in charge of the child could be held responsible. In some cases that might be fairer than expecting the driver to be held responsible for what happens. Those are alternative approaches and they should both be considered.

Mr. Forth: Can my hon. Friend tell those of us who did not have an opportunity to serve on the Standing Committee or to follow this matter closely until now whether he has received an indication from the sponsor of the Bill or from the Minister that exemptions will be made for taxi drivers? He has skipped rather lightly over that point. We have made exemptions for taxi drivers in other legislation because of their individual and unique situation. I am sure that my hon. Friend will not forget

mini cabs. He may be referring only to black cabs, but mini cabs are an increasing force to be reckoned with in the transporting of fare-paying passengers. Will there be exemptions to deal with those problems?

Mr. Waller: I can best respond to my hon. Friend's comments by quoting what was said by the Minister in Standing Committee on 27 April:

"There are many issues still to be resolved when deciding how the law should apply in practice."

However, as far as I can recall, he said nothing about any exemptions that might apply to taxis. He may do so later.

Mr. Forth: I hope that he does.

Mr. Max Madden (Bradford, West): I may be able to help the hon. Member for Keighley (Mr. Waller). I have, for example, passed correspondence and representations from the Bradford Taxi Proprietors' Association to the hon. Member for Cheadle (Mr. Day) and to my hon. Friend the Member for Stretford (Mr. Lloyd). The association has made extremely sensible representations about the need for exemptions—I hope to make a short contribution later this morning. It is important that the Minister, when he replies, makes clear the fact that the consultations will include taxi interests and that there will be specific exemption for taxis from the provisions of the Bill.

Mr. Waller: I agree with the hon. Gentleman; it is important that consultations should go as wide as possible. They must obviously include those representing taxi drivers. The best way of ensuring that we get all of this right is to allow the House, after the consultations have taken place, to consider the proposed regulations. Our debate today shows that many hon. members have their own views. There cannot be detailed consultations with every hon. Member without something being put before the House.

Another issue to which a statement should address itself is that raised by my hon. Friend the Minister in Standing Committee, when he stated:

"The Bill requires only that restraints which are fitted should be used, not that all children in the rear of cars be restrained."—[*Official Report, Standing Committee C*; 27 April 1988, c. 9.]

I believe that that is the answer to the hon. Member for Peckham (Ms. Harman). My hon. Friend appears to agree that at this stage it would be unreasonable to tell the public that all children must be restrained whether or not suitable restraints exist. The provision does not seem to be limited to ordinary seat belts, and I feel that people could be deterred from fitting restraints if, once fitted, they must always be used. The Bill appears to require a belt to be used even if it is not the law of the land that they be fitted. This is an important point.

Mr. Michael Stern (Bristol, North-West): I am glad that my hon. Friend has raised that point, which is of concern to parents with very young children. When my daughter was one year old, I was strongly advised that in no circumstances should the rear seat belts be used. I was advised instead to acquire a specific restraint which became useless after a couple of years. Does my hon. Friend agree that it is necessary for the regulations to address that point?

Mr. Waller: I am sure that my hon. Friend was given wise advice, and that that is exactly the sort of issue that would be considered in regulations.

Ms. Harman *rose*——

Mr. Waller: I will give way this once, but I do not want to do so too many times as it delays our proceedings.

Ms. Harman: May I refer to the regulations as they affect clause 1(3)(c), concerning the description of the seat belt to be worn and the manner in which it is to be fixed and used? Does the hon. Gentleman agree that the point made by the hon. Member for Bristol, North-West (Mr. Stern), and the point that he himself was making when the hon. Gentleman intervened, could be met if the Minister took the initiative to ensure that design advances, particularly in relation to removable shells which can be put in ordinary adult seat belts——

Madam Deputy Speaker: Order. That does not arise on the new clause.

Mr. Waller: I should like to read a quotation from *Hansard* which I think is relevant to what I have been saying:

"As things stand—and I cannot conceive that any Government will move from this position—the intention is not to require compulsory wearing where there is not compulsory fitting. I cannot believe that if any Minister of Transport brought forward regulations on any other basis, the House would give its approval to them."—[*Official Report, Standing Committee C*, 23 January 1980; c. 78.]

Those were the words of my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), the Chancellor of the Duchy of Lancaster, then a Transport Minister, during the Committee stage of the Road Traffic (Seat Belts) Bill. However, as I understand it, this Bill would enable a Minister to say that because a child restraint is fitted, even if it is not a legal requirement, it must be used. We are apparently making provision for something that a Transport Minister in 1980 said that he could not imagine any Government of any persuasion doing.

My hon. Friend the Minister has said that if there is a seat belt available for a child, the child should wear it. Of course, we agree that if a seat belt is available the child should wear it; but is my hon. Friend also saying that if the seat belt is available the child must wear it? That is what I understand from the Bill.

Mr. Forth: My hon. Friend has put his finger on another important point. He has illustrated very elegantly the difference of view that can occur with a change of Minister. He has suggested that a Conservative Minister took a view at one time, while our present Minister—whom we all love and respect very dearly—might take another view. But does my hon. Friend share my view that were our Minister to move on to greater things, as we all hope that he will in due course, his successor may in turn take a different view of this important matter at precisely the time that the regulations are being dealt with?

Mr. Waller: That is one reason why I am always very sceptical about statutory instruments, and the possibility that new statutory instruments may be laid before Parliament which the House has not envisaged in the past. Regrettably there has been a trend away from primary

[Mr. Waller]

legislation toward incorporating more and more substantial proposals in secondary legislation. That could be avoided to some extent if a statement were laid before Parliament before the regulations came before it.

Mrs. Wise: Does the hon. Gentleman agree that during this Parliament there has been an increasing and distressing tendency for Bills to be shells? Does he extend his strictures to Government and private Members' Bills alike? Should not the House accept its responsibility for considering the detail of legislation?

10.15 am

Mr. Waller: I do not want to be drawn out of order. I am continually being tempted, and I find it difficult to resist temptation when posed by hon. Ladies such as the one who has just spoken. Nevertheless, I shall resist it.

We have only to look at the words of Ministers to see the difference that can emerge over a very short time. In Committee, my hon. Friend the Minister said:

"If passed, the Bill will require restraints to be used where fitted."

Nothing could be clearer. If the belts are not fitted, they do not have to be used, but once fitted they must be used. My hon. Friend appears to be saying that the Bill will require what his predecessor said that he could not conceive of any Government requiring—wearing when fitting is not compulsory.

Mr. Bob Cryer (Bradford, South): Will the hon. Gentleman cast his mind over the difference raised a moment ago between statutory instruments being dealt with in a private Member's Bill such as this, and statutory instruments tabled by the Government? Is he not concerned that, once the private Member's Bill is passed, it will be the Government who produce the statutory instrument? There is always a danger that, whatever the defects of a statutory instrument, Conservative Members will be required by the Whips to go willy-nilly into the Lobbies and vote for any rubbish that the Government lay on the Table.

Madam Deputy Speaker: Order. I see the point—it is most interesting—but the hon. Member for Keighley (Mr. Waller) is speaking to new clause 1, on regulations.

Mr. Waller: I always listen carefully to what the hon. Gentleman says, and I look forward to what he will probably say very shortly.

In Committee, the Minister said:

"It is up to Parliament to decide what to do with the Bill, but it will be up to Government to consider what regulations to bring before Parliament if the Bill passes successfully through both Houses."

That is the distinction between Parliament and Government. We should have a little more input from the House. Perhaps it would be a good idea for an explanatory statement to be laid before the House before any statutory instrument was put forward, so that it could be discussed in advance.

My hon. Friend the Minister also said:

"we have a responsibility to provide legislation so that parents know what is right."—[*Official Report, Standing Committee C*, 27 April 1988; *c. 10-12.*]

Many issues relating to our efforts to do our best for children are promoted by organisations and by the Government. Some are in the highway code, but in very few cases do we consider legislation desirable, especially when it is so difficult to enforce it sensibly. Before considering a statutory instrument, we should consider carefully whether a regulation is necessary or whether it would be better for advice to be given in the highway code, and for persuasion rather than compulsion to be exercised to ensure that children are carried in cars as safely as possible.

I want to come to the second part of the——

Mr. Skinner: The hon. Gentleman may not have considered this but I think that it is important. He knows my views about the Common Market, harmonisation and all that jazz. I am not keen on, in fact I am very much opposed to, us having to knuckle under to the Germans, French and all the rest of them. However, I have no doubt that the regulations would have to be framed in such a way by the Tory Government, who crawl to the Common Market, as to satisfy the other nations around the table.

I want to know whether he has taken into account, and whether he will ask his hon. Friend the Minister to take into account, whether any discussions have taken place. If the Minister is to come back from the Common Market at any time with some tinpot harmonisation scheme on seat belts for kids, I will want to know from where it is derived. It would be a good thing if the hon. Gentleman drew the Minister's attention to that matter before it goes any further.

Mr. Waller: The hon. Gentleman has made a fair point. Often, we come forward with proposals that are out of step with those of other Community countries.

Mr. Skinner: I want them to be out of step.

Mr. Waller: Some people think that they should be out of step but other people, such as motor manufacturers, would prefer them to be in step. For example, one thinks of the dim-dip regulations, on which we are out of step with many other countries. One thinks also of the proposal for compulsory leg guards on motor cycles. That is different from the safety proposals for motor cycles in other countries. That is a fair point and it would be helpful to see in a statement laid before the House what account my hon. Friend the Minister, or whoever may be the Minister or the Secretary of State for Transport, has taken of the practices of other countries.

I take a rather different line on that. I believe that it is beneficial on the whole if our proposals are in tune with those of other countries. Then, people travelling from one country to another will know that the same laws apply and motor manufacturers who have to produce the vehicles will know that they can produce vehicles according to the construction and use regulations that will be satisfactory in other countries.

Mr. Kevin Barron (Rother Valley): While the hon. Gentleman is dealing with other European countries may I ask him whether he has seen the briefing done in relation to compulsory seat belt wearing by the Parliamentary Advisory Council for Transport Safety? It says:

"In the majority of European countries, seat belt legislation for adults has preceded child restraint legislation, although many now require belt use in the front seat only."

This is the important point—

"This has had the effect of encouraging children to travel in the rear, usually unrestrained."

Mr. Waller: It is interesting how different countries have different laws. It is certainly true that there has been a tendency for small children to be carried in the rear of vehicles in many cases, even though there may not be a restraint. That is something to which there have been many references in previous debates about the issue.

Mr. Cryer: One of the interesting aspects of this is that under the European Communities Act 1972 a Minister can be designated for the purposes of that Act and that enables a Department to use the powers in the Act to supplement and extend the scope of regulations that may be brought under this legislation. In a way, it is a back door method of increasing a Minister's delegated powers without anything being brought before the House. Will the hon. Gentleman give his attention to the fact that he should consider the consequences of the widening of powers through that designation? The designation instrument itself is generally by negative procedure and is hardly ever brought to the attention of hon. Members.

Mr. Waller: There is obviously a great danger with any regulations, which would inevitably be brought before the House late at night without the attention of the media. However, I am sure that the hon. Member for Bradford, South (Mr. Cryer) would do his best, with his customary diligence, to ensure that they received adequate attention.

The second major element of new clause 1 is the requirement for the House to have another opportunity of considering the regulations by their coming before it again after three years. After those three years we shall have had an opportunity of seeing how they operate in practice. Before the previous seat belt regulations were renewed the Department of Transport commissioned a statistical survey on the effects of seat belt wearing. It was carried out by two academics, Messrs. Durbin and Harvey. Some interesting conclusions emerged from that report, and it would be useful to have another such report.

In such a report, which could be considered by Parliament, I would like to see more reliable statistics based upon accidents as well as casualties. The statistics relating to casualties should be put in a way that provides more real information. I wonder whether people are aware that if one fractures a finger, it is classified as a serious injury because it is a fracture. The same applies if one is in hospital for a night. Yet, there are many injuries that we would consider more serious, but which happen to be classified as minor. It has been estimated that as many as 60 per cent. of all cyclist casualties—I want to show in a moment how the question of cyclists relates to the issue —are not recorded because the cyclist does not go to hospital or receive medical treatment.

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): My hon. Friend is right in saying that there is high under-recording of injuries to cyclists. It is not because they do not go to hospital, but because they do not say that they received their injuries in a traffic accident.

Mr. Waller: I wondered how that came to be. I am grateful to my hon. Friend for explaining how the statistics appear to under-record road accidents to cyclists. That makes me even more concerned about the possible effects of the Bill because of the risk compensation theory put forward by a number of academics such as Dr. John Adams. Dr. Adams suggests that by introducing seat belts we are transferring the risk from the occupants of the car to other road users.

Mr. Peter Bottomley *rose*——

Mr. Waller: I see that my hon. Friend the Minister wishes to intervene but I should say that it is my belief that the risk compensation hypothesis applies to the rear seat occupants of cars as well as drivers because drivers take account of the people in the car and the extent to which those people are secure. As I said on Second Reading, if there is a crate of eggs in the rear seat of the car and it is bolted down, one will drive more carefully——

Madam Deputy Speaker: Order. May I remind the hon. Gentleman that we are not on Second Reading. He keeps referring to the points that he made on Second Reading, in which I was interested. However, we are no longer at that stage of the Bill. I believe that he was dealing with the second element in his new clause.

Mr. Waller: I shall give way to my hon. Friend the Minister who tried to intervene earlier.

Mr. Peter Bottomley: The second part of my hon. Friend's new clause would be better informed if he knew that the number of pedestrians killed was the lowest since records began in 1926. That demolishes part of any exaggerated case of homeostasis, which is the fancy way of describing risk compensation.

Mr. Waller: Yes, of course. I am as delighted as my hon. Friend the Minister to know that pedestrian casualties are down. However, I am afraid that this is a classic case of post hoc ergo propter hoc.

Many other improvements in road safety have been to the benefit of pedestrians. For example, construction and use regulations now require that cars should not have dangerous projections, so that cyclists and pedestrians are less likely to suffer injury. As we now have evidential breath testing rather than the need to take samples of blood or urine, perhaps there is a greater tendency for people who might be drunk to decide not to take the car out, or not to drive it home. Therefore, pedestrians will be more secure, because a very large proportion of pedestrians are hit during the hours of darkness, the drink-driving hours.

10.30 am

We have to be cautious about such statistics. Of course, they should be covered in a report which is brought before Parliament three years after the regulations initially come into effect, but we should be particularly careful about them. We should not necessarily assume that the measure we have brought into effect has produced any improvement.

Mrs. Teresa Gorman (Billericay): Is my hon. Friend aware that a report sponsored by the Department of Transport and quoted in Dr. Adams' book says that, although there was an overall fall in the number of deaths relating to cars—pedestrians, cyclists and the people in cars—on analysis, the number of pedestrians and cyclists killed increased above that which would have been anticipated in relation to car accidents, while the number of deaths in accidents involving heavy duty vehicles where belts are not required decreased. The statistics show that one would expect a decrease, but on analysis there was no

[Mrs. Teresa Gorman]

decrease in relation to belted-up people. Perhaps the Minister would like to clarify that, as the study was carried out by Durbin and Harvey and sponsored by the Department of Transport.

Mr. Waller: My hon. Friend is absolutely right. One has to draw a distinction between the pedestrians and cyclists hit by private cars to which the seat belt legislation applies and those hit by vehicles to which it does not apply. If one compares the figures for the two categories, there is a notable distinction, so we have a control group. My hon. Friend's suggestion about reduced injuries to pedestrians is very welcome, but should not necessarily be taken as an indication that the benefits are due to seat belt wearing. In fact the opposite could apply.

If there is another report along the lines of the one by Durbin and Harvey, *The Lancet* may make the same kind of comment that it made about the previous report, when it stated:

"There will be regret that the evidence on death is not more one-sided; and disappointment that the measure has fallen short of its promise."

I do not want the new measure to fall short of its promise. One way of ensuring that it does measure up to its promise if it becomes law is to ensure that a proper report is brought before Parliament, and that at every stage Parliament has the opportunity of considering the statistics.

I ask my hon. Friend whether it would be possible to provide the House with better statistics than we have been able to rely on until now. One problem is that we have no figures about non-injury accidents. Therefore, we cannot properly test the hypothesis of Dr. John Adams that, if one requires the occupants of cars to be belted in, there are more accidents, and, although the occupants of the car will be better protected, perhaps the risk will be transferred to other people who are less well protected than those in the car.

Mrs. Gorman: Material is emerging to show that although the number of fatalities among car drivers is dropping, and although the number of children who go through the widscreen may be reduced by the legislation, the nature of accidents is different and many people survive only to be paralysed for the rest of their lives.

Madam Deputy Speaker: Order. I have to remind the hon. Lady that we are dealing with regulation-making powers and not with accidents. Later in the debate the hon. Lady may have the opportunity to develop her point.

Mr. Waller: I entirely agree with you, Madam Deputy Speaker. That point could be made better in relation to other amendments, or perhaps on Third Reading.

However, if a report comes before the House, I do not want to have to read statements such as appear on page 51 of the report by Durbin and Harvey:

"There remains strong evidence of a substantial increase in the number of cyclists killed in accidents with cars."

That situation is undesirable, and perhaps can be avoided if the House has the opportunity to consider the regulations and reports from the Department of Transport before the regulations are made, and at a subsequent stage before they are renewed. Essentially, that is what the new clause is about and I hope that the House will accept it.

Mr. Madden: I shall speak only briefly. I begin by congratulating the hon. Member for Cheadle (Mr. Day) on presenting a very important Bill which will save many young people from death or serious injury.

I declare an interest as a sponsored member of the Transport and General Workers Union which organises and represents the interests of taxi drivers in many parts of the country. I wish to speak on that specific point. As I said earlier, I have passed correspondence from the Bradford Taxi Proprietors' Association to the hon. Member for Cheadle and to my hon. Friend the Member for Stretford (Mr. Lloyd). I am aware that the Minister has seen that correspondence and is concerned to do what he can to reassure taxi drivers, taxi proprietors and taxi interests.

The position was clearly illustrated by the Minister in Standing Committee. He said:

"Child injury in cars is one form of human adversity from which we do not want lawyers to profit, and that is why it is important that the regulations are well discussed, laid in draft and involve as many people as possible, including family organisations . . . We want to be sure that all practical possibilities are covered. We may say in some cases, 'The good is necessary; the best is impossible.' If three adults and two children were packed into the back of a car, in practice, none would be able to wear seat belts; there would be two seat belts that could not be used. I am not saying that under the regulations that would be one of the exemptions, but we must consider such cases.

If there are three small children aged, say, eight, in the rear of a car that has two seat belts, the regulations are likely to say that two children must be belted up while the third will be unrestrained. It is not pleasant to look at three children, play the balloon game and decide which is to be unprotected, but that need not detain us this morning.

We shall try to produce regulations that make exemptions. I am getting advice from my hon. Friend the Member for Keighley and others. But the exemptions must be the necessary exemptions. I emphasise time and again that most children travel, most of the time, in their own family car with their own parents, and there is likely to be no trouble."

The Minister went on to say:

"A more tricky question is what happens if so many people are being carried in the back of a car that they cannot wear the belts.

The debate has illustrated the difficulties of trying to write into primary legislation some of the exemptions known to be necessary. But, as well as emphasising the sensible way in which the Bill has dealt with the issues the debate has shown that the regulations will need to make the wearing of child restraints practical, so that children have that extra, necessary protection."—[*Official Report, Standing Committee C*, 27 April 1988; c. 14-15.]

I am sure that we all agree with that, because we want the legislation to be acceptable to the vast majority of the public, in this case the parents of children. We also want the legislation and the regulations to be enforceable. Therefore we need regulations to exempt taxis, private hire vehicles and other categories of vehicles that are used for public hire.

The Bradford Taxi Proprietors' Association believes that under the Bill taxi drivers would have to refuse to carry families if all children under 18 were unable to wear seat belts in the rear of taxis or other public vehicles, thereby losing fares and income. If they did otherwise they would be in breach of the law. The Minister must clearly spell out the position.

Ms. Jo Richardson (Barking): Does my hon. Friend agree that one of the difficulties about the regulations might be that working women with children at school might ask neighbours or friends with children at the same school to pick up their children, which would lead to

additional children being in the back of those cars? That often happens when women who are working have children at school. How would the regulations apply to such cases?

Mr. Madden: My hon. Friend has pointed, as did the Minister in Committee, to another set of circumstances that show that the existing regulations are defective. The Minister said in Committee that he would consult widely. He needs to be more specific today and to give clear assurances.

Many tributes have been paid to the Minister. He is a reasonable person. We are all impressed by the diligence he has shown, but I wonder what would happen if the Minister were to meet with an unfortunate accident caused, shall we say, by the proverbial No. 11 bus or, even worse, if he were to receive an unwelcome telephone call from No. 10 Downing Street? We have to provide for the time when an unreasonable Minister might not make sensible regulations and sensible exemptions.

The Minister must reply to the points that have been put to him by the hon. Member for Keighley (Mr. Waller) and by a number of my hon. Friends. I urge him specifically to exempt from the regulations taxis, private hire vehicles and other public vehicles that come into that category. The public and the trade would welcome such an exemption. It would ensure that the important provisions of the Bill are well received by the vast majority of the public and by those whose responsibility it will be to enforce its provisions.

Mr. Day: While speaking to new clause 1, may I take the opportunity also to speak to my amendment No. 18.

The Bill seeks to implement the negative resolution procedure. As my hon. Friend the Member for Keighley (Mr. Waller) said, that is quite correct. In that respect, it mirrors the legislation that provides for the wearing of seat belts by children in the front seats of cars. The hon. Member for Bradford, South (Mr. Cryer) has tabled amendments that are similar to mine, and I have discussed them with my hon. Friend the Member for Keighley. My amendment No. 18 deals with the same issues and would achieve the same results as the amendments that stand in the name of the hon. Member for Bradford, South. When he deals with his amendments, I hope that the hon. Gentleman will say that he intends to withdraw his amendments to support my amendment No. 18.

I do not believe that my hon. Friend the Member for Keighley was right to suggest that my hon. Friend the Minister for Roads and Traffic should say now what the regulations will contain. That would make nonsense of the consultation procedure that my hon. Friend the Member for Keighley believes is so important. If there are to be consultations, they must be meaningful.

10.45 am

Mr. Waller: My hon. Friend misunderstands me. I have said that my hon. Friend the Minister cannot be expected to spell out now everything that will be contained in the regulations, but when he is thinking about the kind of regulations that ought to be laid he ought to make a statement so that the regulations can be considered properly and amendments made before it becomes impossible for amendments to be made.

Mr. Day: I accept the majority of the points that my hon. Friend the Member for Keighley and the hon. Member for Bradford, South have made, but my amendment No. 18 covers them. It would provide for the regulations to be discussed by the House. I think that my hon. Friend the Minister accepts the validity of amendment No. 18.

The hon. Member for Bradford, West (Mr. Madden) referred to the fact that he had approached me about the representations made by the Bradford Taxi Proprietors' Association. The National Federation of Taxicab Associations has also been in touch with me and it attended the Committee sittings. I have kept in informed about progress. The National Federation of Taxicab Associations does not oppose the principle of the Bill or its aim. I assured the federation that its point of view would be put before the Committee. It was also put before the Committee by other hon. Members, and the Minister is aware of its views. I hope that the Minister will take those views into account.

A few hon. Members have tried to disprove the validity of the safety factor when seat belts are worn in the rear of motor cars, but most of the statistics are overwhelmingly in favour of their use. The Bill is designed to save the lives of young children. They are unable to make decisions for themselves. I ask those hon. Members to reflect on what they have said. The fact is that 91 per cent. of drivers support the principle of the Bill: that there should be compulsory restraint of children in the rear of motor cars, and 90 per cent. of the public support the principle of compulsory restraint. The view that those hon. Members hold may be honourable, but it is mistaken. It is out of step with the views of most hon. Members and with the majority of public opinion.

Mrs. Alice Mahon (Halifax): On a point of order, Madam Deputy Speaker. Have you received any notification that a Minister will come to the House to make a statement on a factory closure in my constituency? Yesterday, KP Foods announced that it would close a factory, with the consequent loss of 1,000 jobs. As you will understand, this has left the town dazed and in complete shock.

Madam Deputy Speaker: Mr. Speaker has had no indication from any Minister that a statement will be made today.

Mr. Cryer: I should be happy if a Minister came to make a statement to allow my hon. Friend the Member for Halifax (Mrs. Mahon) to ask questions. I understand that you can do nothing about that, Madam Deputy Speaker. It is a dereliction of duty on the part of the Government not to make a statement when such a serious decision has been made.

I shall deal briefly with the amendments because the slowest marathon runner in the House, the hon. Member for Keighley (Mr. Waller), dwelt extensively on new clause 1, to which my amendments relate. I hope that the hon. Gentleman will exercise much stricter judgment when Ministers abuse their powers and bring before the House statutory instruments which have validity only because they were passed by a large Conservative majority.

My three amendments are straightforward. I accept the comment of the hon. Member for Cheadle (Mr. Day) that amendment No. 18 deals with the proposition in the same way and provides that the regulations should be made by affirmative procedure. My amendments set out the position much more clearly. I sometimes wish that those

[Mr. Cryer]

who draft legislation would aim to keep legislation as readable as possible. It is not satisfactory to the ordinary user of legislation to have to refer to sections in a 1972 Act. My amendments provide for the insertion after "regulations" of

"approved by affirmative procedure by both Houses".

It is necessary for the House to adopt the affirmative procedure more extensively. We do not deal effectively with delegated powers. Other legislatures are well ahead of us in scrutinising Ministers' powers. This worthy legislation has the power of criminal sanctions behind it and we do not oppose it, because it will reduce the number of lives lost. Legislation exists because people are not universally of good will and we must set a pattern of conduct. That conduct is enforced by the application of criminal sanctions. We leave it to Ministers and civil servants to produce the words that enforce these standards of conduct. We give that important obligation to the Minister, but we do not have a procedure by which we can scrutinise or change the Minister's measures. My amendments unfortunately provide no opportunity to change the legislation.

The Joint Committee on Statutory Instruments, which I chair, was set up after major errors were made in 1945 in the wording of a statutory instrument. Before then, there had been several criticisms of the way in which the House was handing over more and more detail to Ministers. In his book, Lord Justice Hewart, who was no Left-wing judge —not that there ever have been any—described the powers that we give Ministers as the "new despotism". I do not accept that all-embracing criticism. The Joint Committee on Statutory Instruments frequently deals with instruments that are ambiguous, ultra vires—beyond Ministers' powers—and badly drafted, and reports on those matters to the House. It reports also on any other matters that do no go to the merits of the policies behind statutory instruments. The Joint Committee's terms of reference do not allow it to debate those merits. The Joint Committee does a reasonable job, but its position is not well regarded. It has no power to require a debate or to hold up legislation.

The negative procedure on statutory instruments may remain a mystery to most hon. Members. A consultative document may be issued and people told that a statutory instrument will be produced. They do not have a clue what that means. They certainly do not know that, when an instrument is laid before the House for 40 days and there is a prayer against it, there is only a chance that the instrument will be debated.

Back Benchers know that if we table a prayer, the chances of the Government giving time for it are slim. A prayer is debated only if Front Benchers add their names to it to put a bit of pressure on the Government and to ask them—it is not a statutory requirement—to provide time to debate it. That is unsatisfactory, especially for an instrument of this calibre, which imposes criminal sanctions and exempts people from fitting seat belts. Under the regulations, certain vehicles or classes can be exempted.

I endorse the remarks of my hon. Friend the Member for Bradford, West (Mr. Madden) and support the representations of the Bradford Taxi Proprietors' Association to exempt hackney carriages. The exemptions will be made under regulations. Section 33C(3)(c) prescribes

"the description of seat belt to be worn by children . . . and the manner in which such a belt is to be fixed and used."

The detailed application will be made by regulation. A system that allows these matters to be dealt with by negative procedure is a poor system.

The regulations will be complicated. They will be widely applicable to every vehicle that is prescribed. Every child within a certain prescribed age will be required to be restrained by a seat belt of the description given in the statutory instrument. The statutory instrument will be widely read and widely used by the motoring organisations, daily press and so on. If we allow it to proceed under a negative resolution, hon. Members may try to lay a prayer because there are loopholes or inconsistencies. The Joint Committee on Statutory Instruments may report that the Minister has used more powers than he has been given in the Bill and in the linked legislation, the Road Traffic Act 1972.

The prayer may be debated, but what happens then? A prayer is considered for an hour and a half after 10 o'clock. If a number of votes are taken, there is only just over an hour, with luck, to debate the regulations. The House cannot take statutory instruments in separate parts. We have to decide on the whole thing, whether we like it or not. The temptation is for a Government caught out with an ultra vires provision not to admit that they have made a muck of things. Ministers do not tend to say, "I shall certainly get hold of the draftsman and tell him to be more careful in future." They usually say, "It is a technicality; I urge my hon. Friends to vote for the statutory instrument." The Minister's hon. Friends then go into the Lobby to vote for the instrument because the Whips have imposed a three-line Whip.

11 am

Our method of dealing with genuine questions of procedure and matters of error and poor judgment may have nothing to do with the merits of the instrument. Hon. Members who agree with the policy merits of regulations but feel that they are poorly drafted do not have the opportunity to amend them. The Procedure Committee should consider carefully improving our procedures for delegated power because there is now such a volume of legislation in the hands of Ministers—and therefore civil servants—that the House is losing its ability to scrutinise matters that ought to be very much within its power.

Mr. Waller: Does the hon. Gentleman agree that it is particularly important that there should be scrutiny in this case, given that it is literally a matter of life or death?

Mr. Cryer: I agree that it is important in this case and my amendments would have that effect. However, such scrutiny is also important in many other cases. I have repeatedly argued in Standing Committees that the affirmative procedure should be used more widely and that the negative procedure should be used only for genuinely minor statutory instruments such as those bringing into operation an Act that the House has already passed. Most hon. Members are not in my fortunate position. I have to examine every statutory instrument produced by every Minister that goes before the Joint Committee on Statutory Instruments. They are legion. On average, we deal with 2,000 of them a year. Some of them simply bring

into operation an Act of Parliament, but even they are often 10 and 15 pages long. They are minor works of complicated legislative art. I urge the House——

Mrs. Wise: I apologise if I have missed something. Has my hon. Friend dealt properly with the fact that we seem to have no control over ultra vires provisions that are brought before the House?

Mr. Cryer: Such matters are better dealt with by the affirmative procedure. That is why my amendments urge the adoption of the affirmative procedure, whereby a statutory instrument is not approved until it has at least 1½ hours' debate on an affirmative resolution on the Floor of the House. Even so, I agree with my hon. Friend that that is still very unsatisfactory. I am advocating the best of a very poor choice of options.

Let us suppose that a Minister brings before the House on the affirmative procedure a provision that is ultra vires. If he will not sink his pride and accept the view of the Joint Committee on Statutory Instruments, what happens then? Incidentally, we do not pull our opinions like a rabbit out of a hat. Mr. Speaker's counsel is our legal adviser. When we recommend that provisions be regarded as ultra vires, we do so only after serious consideration, and generally on his recommendation. If the Minister does not sink his pride but says, "It is a technicality" and the instrument is passed, any challenge must then go to the courts. That is a very expensive procedure. Most ordinary people cannot possibly go to law. Like the Ritz hotel, it is open to everyone who can afford to pay, and most people cannot. As regulations under the Bill will affect millions of people —all those who carry children in the back of their cars —we should make absolutely sure that we get them right. That is why I argue that the affirmative procedure should be used.

Even if the affirmative procedure is used there are still faults to be found. The first is the lack of time on the Floor of the House, although we have the full 1½ hours which we do not for the negative procedure. That debate cannot be interrupted, so if we are given the affirmative procedure we should be humbly grateful for the extra 20 minutes or so of debate on instruments that affect millions.

Sometimes, there is not enough time on the Floor of the House, so statutory instruments are dealt with by merits committees. Some hon. Members may not yet have served on them. I suggest that they contact their Whips who will be only too happy to appoint them to such committees. It has to be said that the merits committees are not an overwhelming success. People frequently ask me about them because they are called Standing Committees on Statutory Instruments. That simply means that they have the power to pass a resolution affirming a statutory instrument. The provisions are dealt with on Tuesday, Wednesday or Thursday morning in one of the Committee Rooms. The Government organise a quorum, and the Labour Opposition generally turn up. I cannot recall that the Liberals, or the SLD or the SDP—or whatever they are called these days attend zealously.

Mr. Ronnie Fearn (Southport): I have been to four.

Mr. Cryer: The hon. Gentleman is becoming a veteran in these matters.

The committees' sittings are often over in 10 or 15 minutes. That procedure, with all its shortcomings, is still preferable to the negative procedure because it gives hon. Members an opportunity to oppose a faulty statutory instrument. They have merely to go to their Whips and ask to serve on the committee. One of the virtues of the merits committees is that any hon. Member can speak but not vote. I hope that over the coming weeks many hon. Members will be attending the committees and practising their speeches so that they are prepared when regulations under the Bill come before the House. It is a useful device. Although this place has its shortcomings, one of its great virtues is that it consists of a lot of loopholes strung together. If one wants strongly enough to raise a subject one can always find a loophole. The merits committees provide such an opportunity. I urge my hon. Friends to make use of them when the need arises.

I do not want to speak for too long because of the amount of time taken by the hon. Member for Keighley. However, I must deal with the question of EEC harmonisation, to which I referred in an intervention. It is important, because harmonisation is growing through delegated powers. There has been a change in legislative functions by virtue of the fact that under the European Communities Act 1972 Ministers are designated for the purposes of the Act as Ministers under the Act. That gives them more powers to produce wider delegated legislation. Therefore, I would argue that that legislation should be brought to the attention of the House, and hence of the public, through the affirmative procedure. We would then know about any move by the Common Market to harmonise standards for seat belts. The hon. Member for Keighley said that he favoured such a standard. However, we may find that for our manufacturers and for our purposes there are certain differences that we want to retain. We should be told whether that is the case. That is why the affirmative procedure is the important procedure. We would be more likely to find out about such moves.

I could ask all those hon. Members who take the daily statutory instrument list to raise their hands. My guess is that there would not be many takers. However, only those who take the daily statutory instrument list know about the instruments that are going through the negative procedure—or the affirmative procedure, for that matter, but the negative procedure is the most arcane—and they are the only ones who would know whether the Minister was attempting to extend his delegated power under the European Communities Act 1972, which would have wide repercussions because of harmonisation pressures from the Common Market.

Therefore, the affirmative procedure seems perferable. As the instrument is included in the Orders of the Day we know that the instrument is being dealt with. Orders of the Day are taken by all hon. Members, and as there are notices about the instruments that are dealt with in Committee, hon. Members are much better notified with that procedure. Therefore, the arguments for the affirmative procedure seem overwhelmingly superior.

Mr. James Cran (Beverley): Yes, we understand that now.

Mr. Cryer: Well, the hon. Gentleman says that he now understands. It is true that I have spent between 10 and 15 minutes explaining it, but I do not often get the opportunity of talking about statutory instruments and I get frustrated at not being able to talk about them——

Madam Deputy Speaker: Order. The hon. Gentleman is absolutely on the point of his amendments, but the House is extremely well informed by this time. I am sure that he does not want to become over-repetitive.

Mr. Cryer: I do not want to go over ground that I have gone over before but I do not want any doubts to arise. As I have said, Madam Deputy Speaker, I want to be brief because of the enormous amount of time that was taken earlier. I know that many more hon. Members wish to speak about the Bill and about the Bill that follows it on the Order Paper, so I am willing to withdraw my three amendments following an assurance from the promoter of the Bill that the arcane amendment that he has tabled meets my point and that the affirmative procedure will be used.

Mrs. Wise *rose*——

Mr. Cryer: I shall deal with this point first.

The hon. Member for Beverley (Mr. Cran) raised an eyebrow at the fact that I have taken between 10 and 15 minutes to elaborate my point. However, the fact is that until I tabled my amendments, the regulations, of such wide coverage and importance, were to go through on the negative procedure. Everybody, including the hon. Gentleman, is now convinced that the affirmative procedure is the best procedure. I convinced him in 10 to 15 minutes. Why was the Department of Transport not convinced earlier that that procedure would be better when it advised the promoter? Why did the civil servants not bring forward the affirmative procedure so that we would not need this debate? Today the scrutiny of this House has improved the Bill.

If I have to spray it on the eyeballs again and again so that the Minister and the civil servants in the Box will take back the message that the affirmative procedure should be used every possible time, I shall. When we receive evidence from civil servants in Committee and ask them which procedure they would prefer, they always say the negative procedure because it is more convenient for them. There is less likelihood of a debate so they do not have to provide ministerial briefs. The arguments are not brought out into the open and are less open to scrutiny, as is the Minister. By and large, Ministers do not like to be under too much scrutiny.

My remarks may have been a little tedious, but I am sure that they were absolutely fascinating to my hon. Friends. However, although I regret it, the fact is that we must go through this process to improve the procedures of our House.

Mrs. Wise: I am worried by my hon. Friend's agreement to withdraw his amendments. I may be entirely wrong so I am asking for clarification. My hon. Friend's amendments have the great advantage that I can understand them. They state clearly:

"'by affirmative procedure by both Houses'".

One need only look at them to understand exactly what my hon. Friend means. I find amendment No. 18, which is to be used instead, more obscure. I should like to know whether my hon. Friend is absolutely certain about accepting amendment No. 18 and that he is not relying on assurances from across the Floor. Unless he is certain in his own mind that his amendments are properly dealt with by amendment No. 18, he should ask the hon. Member for Cheadle (Mr. Day) to withdraw amendment No. 18 in favour of his amendments.

Mr. Cryer: I am grateful to my hon. Friend. However, I have received assurances in good faith and one must accept them. I have no doubt that the Minister, who will probably be called next, will give me a further categorical cast-iron guarantee that amendment No. 18 meets the points without putting them into the clear language that I have used.

I advised my hon. Friend the Member for Preston (Mrs. Wise) earlier that we have got into a mess with drafting. There is no question about it. Our legislation is utterly incomprehensible to the average citizen. It should not be incomprehensible, because it affects the average citizen. Legislation such as this should certainly not be incomprehensible. When the Minister produces regulations under the legislation, it is not sufficient for the average citizen with his car, rear seat belts for children and children in the prescribed age range simply to look at the instrument. He will almost certainly have to look at the Road Traffic Act 1972. However, where will he get a copy of that Act? Her Majesty's Stationery Office is in London, although there are a few branch offices, one of which is in Leeds. However, they are sub-offices and are not run by the Government. They do not carry a wide range of legislation, so the Act will have to be ordered. In other words, it is awkward for the ordinary citizen.

Although I accept the point made by my hon. Friend the Member for Preston, I do not want to insist on amendments which may produce consequences that have not been entirely foreseen. The Minister might say that he accepts my first amendment, which sets out clearly that the affirmative procedure in both Houses must be used. It states:

"after 'regulations' insert 'approved by affirmative procedure by both Houses'."

The Minister will give his views. Amendment No. 18 could be accepted and the Bill altered to make the position a little clearer to the average citizen. I advise the Minister that people in Bradford, South do not talk all day about affirmative resolutions of both Houses. However, they may have a clearer understanding, so I accept the Minister's point of view.

We have had a useful discussion and I am absolutely delighted that, following my suggestion, the promoter of the Bill has accepted my point and purpose without any hesitation as, I understand, the Minister does also. That is a useful demonstration of the way in which a Back Bencher can improve legislation by scrutiny. I hope that my points are taken on board and I certainly accept the promoter's amendment and the spirit behind it.

Mrs. Mahon: Further to the point of order that I raised earlier, Madam Deputy Speaker, about the factory closure in my constituency, could you give me some guidance about how a new hon. Member gets a Minister to make a statement and accede to the will of the House?

Madam Deputy Speaker: I am sure that there are several opportunities that the hon. Lady could use. One is parliamentary questions, or she might like to consider tabling a private notice question. However, that will have to be done next week. As the hon. Lady knows, the Chair has no authority to request a Minister to come here to make statements.

Mr. Peter Bottomley: My hon. Friend the Member for Keighley (Mr. Waller) has pointed out that what we are discussing is literally a matter of life and death and I

believe that the House agrees. There is indisputable evidence that if a child is restrained in a car its chances of death or injury in a crash or collision are reduced by two thirds.

To some extent, we are involved in lotteries. Following the exemption regulations that will be made if the Bill is enacted some children will still be exposed to risk. The House must accept that this is one of a set of compromises. There seems to be general agreement that the approach of my hon. Friend the Member for Cheadle (Mr. Day)—to provide that where restraints are fitted children should be restrained unless they are exempted—is the better way forward, but it is not perfect. There is plenty of scope for the criticism that my hon. Friend or the Government should have proposed that no child should be carried in a vehicle unless he or she is restrained, but we are not going that far and we are taking this position openly.

The second lottery is that to a large extent it is a matter of chance when the family becomes aware of the importance of restraints in cars. Esther Rantzen, who headed the highly effective "That's Life" television campaign in 1986, which trebled the sale of restraints from 300,000 to 1 million per year, was one of those who put restraints in their cars only after the campaign had begun. For the child, it is a lottery as to when the parents decide to fit and to use restraints.

Frankly, it is also a lottery whether a Bill of this kind gets through the House. There are important amendments and new clauses for consideration and the whole House is aware that it does not take much to leave a Bill insufficient time to get through. I make no further comment.

The new clause and the associated amendments address the question whether the regulations should be subject to the affirmative procedure. I pay tribute to the hon. Member for Bradford, South (Mr. Cryer) for raising that issue. Other issues are coming forward, including one from my hon. Friend the Member for Keighley, which I believe will also improve the Bill.

Mr. Waller: I should be grateful if my hon. Friend would respond to this important point. His predecessor said that he could not conceive of any Government moving from the position that the intention is not to require compulsory wearing when there is not compulsory fitting. It is my hon. Friend's intention, as his comments at earlier stages of the Bill suggested, that even though there is not compulsory fitting it will be compulsory to use a device if it is fitted?

Mr. Bottomley: Perhaps I may answer that question somewhat obliquely. Those who regard themselves as libertarians may say that one should not compromise—either we have our liberties or we do not—but I am not of that group. I believe that it would be going too far for the Government to support a Bill requiring every car which might carry a child to have restraints fitted, covering all generations—for instance, a rear-facing infant carrier and a booster cushion as well as an adaptor for an adult seat belt. I am a compromiser and I do not wish to go that far.

I suspect that in 1980 when my right hon. and learned Friend the present Chancellor of the Duchy of Lancaster was responsible for these matters he had in mind that the next stage would be compulsory fitment of restraints. The present Bill does not propose that, and neither do I. To some extent, therefore, I am resiling from what my right hon. and learned Friend said. As I have said, I am a compromiser. The Government support the intention in the first part of the new clause that the affirmative procedure should apply. The negative procedure was previously acceptable to the Government because the fact that it was used in relation to children in the front seats of cars constituted a reasonable precedent. The issue having been raised by the hon. Member for Bradford, South and accepted by my hon. Friend the Member for Cheadle in amendment No. 18, however, the Government are content with the affirmative procedure.

I shall certainly add the representatives of taxi operators and drivers to those to be consulted before the Government bring forward regulations. It is sensible to listen to the views of taxi drivers and important to consider the views of taxi users. We do not know whether a majority of drivers and users wish the regulations to cover children in the backs of taxis where restraints are already fitted. I certainly give an assurance that taxi interests will be taken into account.

The second part of the new clause deals with whether there should be a three-year experiment. The regulations covering children in the front seats of cars were not the subject of a three-year experiment and there is no good reason for making such a provision in this context. We publish the annual casualty report, "Road Accidents Great Britain", all the information is likely to be available and special studies can be undertaken. If the House discovered—I am sure that it will not—some counter-productive element in the combination of this legislation and the exemption regulations, we could return to the matter.

To put the matter in graphic terms, if in any other circumstances I held a child 5 ft above a glass table and dropped it head first, "criticism" would be an understatement for the way in which people would describe my action. If I took a child and threw it at a glass window as hard as I could, the effect would be less than that of a child hitting a windscreen in a crash at 20 mph. There is every reason for parents to fit and use restraints. The new clause and the amendment deal with whether it is appropriate—that is where the exemptions, affirmative resolutions and regulations come in—to get many more parents to ensure that our children who, most of the time, travel in our own cars, have a basic element of protection. All the public response that the Government have received shows that the public want that.

Mr. Dafydd Wigley (Caernarfon): I am grateful to be able to make an intervention rather than a speech, as I want the Bill to reach the statute book. It is an important measure and the all-party disablement group certainly takes that view. Will the Minister give an assurance that, in drafting the regulations, he will consult bodies such as RADAR, the Spastics Society and Mencap, which have an interest in the position of disabled children, which will have to be taken into account in the detailed aspects of the regulations?

Mr. Bottomley: Yes.

Mr. Forth: The House owes much gratitude both to my hon. Friend the Member for Keighley (Mr. Waller) for introducing new clause 1, in which I am especially interested, and to the hon. Member for Bradford, South (Mr. Cryer), who has enlightened us considerably on the relationship between the role of Parliament writ large and the Executive. The hon. Gentleman speaks with the

[Mr. Forth]

authority of one who has been a member of two Parliaments. He has also had the advantage of seeing, as I had the honour to see some time ago, the different way in which these matters are dealt with in the European context. In many ways, we can learn from other institutions and draw on what we have seen. The hon. Gentleman eloquently set out the difficulties involved.

I support the new clause because it has become obvious to me, even at this stage, that there is a considerable lacuna between what hon. Members wish and the position, as far as we can understand it, of my hon. Friend the Minister and his Department. As long as there is that difference or gap, we are entitled to ask, as my hon. Friend the Member for Keighley (Mr. Waller) has asked, for a full statement at an early stage of the direction in which we are heading, in advance of the detailed regulations being produced.

When we are dealing, as has been suggested many times, not just with life and death, but with matters that involve intervening in detail in the behaviour of families and individuals in the car, or wherever they are, we are entitled to know as fully and as early as possible exactly what will be involved, what the regulations will mean and how they will be put forward. A fact that has been alluded to more than once is that Ministers change. I have the greatest respect for the Minister for Roads and Traffic, but we cannot guarantee that he will be the Minister who will guide the regulations through all their stages and that the assurances and the insight into his thinking that he has given us today will be the guiding influence throughout the development of the regulations.

Given that fact, it will be of great importance that the House is given the opportunity at every possible stage of knowing what is in Minister's minds and how their thinking is developing, especially in view of representations such as those made just now by the hon. Member for Caernarfon (Mr. Wigley) about specific groups that may have a real interest in amending and developing the regulations to suit their own needs, to say nothing of taxi drivers. I have not heard anyone answer the point that I made in an intervention about mini cabs, and whether they will be regarded as different from taxis. Such matters will have to be considered and it will be of the greatest importance that we are made aware early on of the way in which thinking is developing.

11.30 am

Mr. Peter Bottomley: I should like to be helpful to my hon. Friend because he has raised an important point, which I should have liked to cover at some length, but it was difficult to do so under the new clause and the associated amendments.

We have given clear assurances on the question of wide consultation, and the Act of Parliament requires consultation anyway. It will include a consultation document, which will be laid in the Library of the House of Commons and will be available to Members of Parliament. We shall give as much publicity as possible to the consultation process. We shall also try to make sure that our conclusions after the consultation are made known before we introduce the regulations.

I should have liked to discuss the matter at greater length, as we did in Committee, but new clause 1 is about the affirmative resolution procedure, which has been accepted by those who have spoken in the debate. The only remaining issue is whether there should be a three-year experiment, and I have given the argument against that.

I should like to make just one other point because most matters have been dealt with fully and there are many other amendments to be discussed, which will have to be dealt with in detail. We must consider carefully the European dimension of such legislation. With 1992 very much in mind, increasingly we shall have to be aware of the extent to which measures that we take in a public arena such as this are in harmony with those that may apply at the European level. We are not yet satisfied that enough thought has been given to that. The promoter of the Bill, my hon. Friend the Member for Cheadle (Mr. Day), has not mentioned it yet, but he may take the opportunity to do so. The Minister has not done so. It has been touched upon only lightly. We should be foolish to go too far down the road of detailed regulations at this stage.

Perhaps this is one of the answers to the Minister's point about a three-year trial period. It would take from when the Bill comes into effect until 1992, which would give us the opportunity to appraise the way in which the legislation was working. We could have another look at it in view of everything that we are trying to achieve, with the free movement of trade, in 1992. So I give that answer to the Minister when he says that we have not had such a trial period before. We have not had 1992 before, nor have we been faced with the rapid development of the harmonisation concept across Europe. We are dealing with vehicles, traffic regulations and individual freedom, so I should have thought that the European dimension was of the greatest importance.

For all those reasons, I support my hon. Friend the Member for Keighley in new clause 1 and I pay tribute to what the hon. Member for Bradford, South told the House. I thank the Minister for accepting what has been said.

Mr. Tony Lloyd (Stretford): I support the views of my hon. Friend the Member for Bradford, South (Mr. Cryer) about the relative merits of the affirmative and negative resolution procedures. When important legislation is being considered, most hon. Members are too familiar with the practice of Governments of all political persuasions to slip through secondary legislation which has serious consequences. Because the promoter of the Bill, the hon. Member for Cheadle (Mr. Day), has accepted the merits of the argument, he does the House a great service and thereby strengthens the case for the legislation.

The hon. Member for Keighley (Mr. Waller) knows that my view is that there is no merit in his proposal that there should be a three-year trial period. That would merely allow those who have acted with self-indulgence on the issue to go through the same routine once again in three years' time.

There is a widespread understanding of the Bill's merits. The limited number of bogus statistics that have been produced to try to contradict the case would no doubt be produced three years into any trial period, but they could not disprove the case about the benefits of child restraints.

Mr. Waller: I do not recall whether the hon. Gentleman contributed to it, but the debate on renewing the regulations was useful and provided an opportunity for statistics to be produced and argued about, and for road

safety issues to be considered by the House. There are not so many opportunities for such issues to come before the House. So I am sorry that the hon. Gentleman feels that another debate would be pointless. Debates have been useful previously.

Mr. Lloyd: If the hon. Gentleman manages to persuade his Government to have a debate on road safety, the Opposition would be more than happy to take part, but it should not be on the specific issue of renewing the regulations once they have been in force for three years. That is the distinction that the hon. Gentleman must accept.

I do not think that it would serve any purpose if I were to detain the House any longer on an issue that has received a thorough airing.

Mrs. Wise: I add my congratulations to my hon. Friend the Member for Bradford, South (Mr. Cryer). I assure him that in future I shall take the daily statutory instruments list, and I shall recommend all my hon. Friends to do so. My hon. Friend made me shiver in my shoes at the thought of what I had been missing.

I assure hon. Members that I am extremely interested in road safety. Indeed, the Minister and I correspond from time to time on the matter. He knows that, as a general rule, I am also in favour of compulsion in road safety. I do not regard myself as a "libertarian". I am in favour, for instance, of the helpful regulations that the Minister introduced to ensure that there are mandatory speed limits in contraflows.

I started by being favourably disposed towards the Bill and I looked at the amendments with great scepticism. However, I now think that there is much more merit in the criticism than I at first realised, and I have become extremely worried. I am afraid that the sponsors of the Bill and the Minister have not addressed my anxieties. I veer from side to side, thinking, "Are we passing something impossibly draconian? Are we passing something eminently reasonable?" through to, "Are we passing anything at all?" My last point is relevant to the regulations.

I was worried that I did not know what the Bill contained because it depended so much on regulations. Now I am worried about whether the Bill exists at all because I do not know whether there will ever be any regulations at all, good, bad or indifferent. The Minister has not allayed my anxiety and I must rely on what he said in Committee. He said:

> "The powers that the Bill would introduce are the same as those that we already have in respect of adults travelling in the rear of cars. We have not used those powers and we have no plan to do so. I believe that timing is critical."

The Minister said that one reason why we have a high compliance rate is that we were in tune with the climate of opinion when the law was introduced. He continued:

> "For the time being, I want to continue to do everything I can to encourage voluntary use of rear restraints by adults. . . There is a growing body of public opinion that we should move towards obligatory use of rear restraints by children. The Bill reflects that shift."—[*Official Report, Standing Committee C*, 27 April 1988; c. 10.]

I did not think that the Bill was about moving towards that, and general propaganda. If that is the intention behind it, I am not worried because I am completely in favour of seat belts and restraints for children.

Mr. Day: So what is the problem?

Mrs. Wise: I am describing what the problem is. If the hon. Gentleman had put more thought into this, he could have produced a better Bill which we could have insisted the Government should activate. We are debating we know not what. We started by discussing matters that are contained in regulations, whether there should be explanatory statements and how much consultation there should be. Then I was electrified to find when I read the Committee reports that the Minister is not contemplating introducing any regulations.

Mr. Peter Bottomley: We have a moving group of people interested in this subject and one needs to take the Second Reading together with the Committee stage for enlightenment. If Parliament gives the Government the power to introduce regulations for exemptions for certain categories, which is what the whole regulation-making power is about, the Government's intention would be to activate the Bill so that children must wear restraints, where they are fitted, unless they are covered by an exemption category. I hope that makes the position plain. The distinction that I drew in Committee about the position of adults was that the Government did not intend to be unnecessarily draconian in proposing exemption regulations to Parliament.

Mrs. Wise: There seem to be far more good reasons for activating regulations in relation to adults than in relation to certain categories of children because with adults regulations can be enforced. If we pass Bills or regulations which may not be reasonable and certainly are not workable or enforceable, it will bring our laws into disrepute, and that is a serious matter.

Mr. Day: These matters were covered fully on Second Reading. If the hon. Lady takes the time and trouble to read *Hansard*, she will see that all these matters, including enforcement, were covered not only by me in a lengthy speech, which I do not propose to make again today, but by other hon. Members from both sides of the divide on this question. The Hon. Lady is dragging out the proceedings unnecessarily.

Mrs. Wise: The matter before us is not the hon. Gentleman's speech on Second Reading, but the Bill which he has introduced. The Government's intentions in relation to the Bill and the regulations are not as meritorious as some of the arguments used to promulgate them.

I read the briefing from the Parliamentary Advisory Council for Transport Safety and I agree with everything in it, but it does not meet my anxieties. The Minister said that it was up to Parliament to decide what to do with the Bill and that it was up to the Government to decide what regulations to introduce if the Bill passes successfully through both Houses. We have heard how unsatisfactory our procedures are for regulations, even under the affirmative procedure. They receive cursory examination. This is the only opportunity that the House has to show what bothers us and what must be dealt with when regulations are introduced.

11.45 am

Sweeping statements have been made in response to anxieties, such as that we can rely on the police and the courts to use common sense. It is a worthy virtue, but it is not always the most useful for dealing with immediate problems with kids. Looking back to my children's

[Mrs. Wise]

childhood, I must admit that I am horrified at the attitude that we all had before seat belts became the order of the day. I will take second place to no one in my advocacy of wearing restraints. That is not the problem. The question is, what is the most effective way of bringing that about?

Children are not passive. They are not parcels that can be wrapped up neatly and trussed for transit. At a relatively early age they develop views, abilities and capacities of their own. I do not think that there is any sign that that problem is being taken on board and it makes me wonder whether it is humanly possible to produce regulations which are sufficiently tight to have any effect. They may be so riddled with exceptions as to give people he impression that there is as much to be said for breaching them as for observing them. I do not want that to happen.

It would be easy for us all if the hon. Gentleman had introduced a Bill about babies——

Madam Deputy Speaker: Order. The hon. Lady is going wide of the Bill, let alone new clause 1.

Mrs. Wise: I apologise, Madam Deputy Speaker, and I shall try to show the relevance of my point.

Much of the discussion about the sort of regulations which can be introduced, statements on consultation and whether there should be an experimental period, relates to the problems which will face the Government in drafting adequate regulations. Whereas parents and drivers can be completely in control of what happens to infants in a rear seat because infants can be trussed for transit, that is not the case when a child reaches an age when, for example, it can unbuckle a belt or it develops views about how co-operative it will be. The problem with the Bill is that if children aged 10 or 13 years know that there is a danger that their parents may be regarded as breaking the law, it will encourage a sort of daring and defiant approach in them. As my hon. Friend the Member for Bradford, South (Mr. Cryer) eloquently said, regulations should not be a series of loopholes. I prefer regulations that are more limited in scope—such as those relating to babies could be, which are and should be enforceable—to those that take on a range of issues that are better left to persuasion.

I am not sure that we are right to discard easily the idea of an experimental period. I would be happier if I could see more clearly what is likely to result from our deliberations. The problem is that none of us can see what will result. The new clause and the amendments are a brave attempt to clarify matters.

Initially, I was in favour of the Bill and I took it for granted that there were no problems with it. It was only when I examined it carefully—starting from the position of being in favour of this compulsory measure—that I realised that it might not be appropriate. I have not received from the Minister any clear idea about how he will cope with the problems. We could not expect him to lay the regulations before us in detail, but he could have said that the problems are capable of solution.

I am against passing legislation that calls on the Government to take measures that cannot reasonably be taken. It is all very well for Conservative Members to say that the Government will consider the regulations, but I do not have such faith in the Government. I am worried that the Bill will fail to introduce——

Mr. Day *rose in his place and claimed to move*, That the Question be now put.

Question put, That the Question be now put:—

The House divided: Ayes, 107, Noes 4.

Division No. 303] **[11.53 am**

AYES

Alison, Rt Hon Michael
Allen, Graham
Alton, David
Anderson, Donald
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Beggs, Roy
Beith, A. J.
Bendall, Vivian
Benn, Rt Hon Tony
Bennett, Nicholas *(Pembroke)*
Biggs-Davison, Sir John
Bottomley, Peter
Bowis, John
Bradley, Keith
Braine, Rt Hon Sir Bernard
Bray, Dr Jeremy
Caborn, Richard
Carrington, Matthew
Corbyn, Jeremy
Cran, James
Cryer, Bob
Darling, Alistair
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dixon, Don
Doran, Frank
Dunwoody, Hon Mrs Gwyneth
Durant, Tony
Ewing, Mrs Margaret *(Moray)*
Fearn, Ronald
Fenner, Dame Peggy
Field, Frank *(Birkenhead)*
Finsberg, Sir Geoffrey
Flynn, Paul
Foot, Rt Hon Michael
Forsythe, Clifford *(Antrim S)*
Fyfe, Maria
Garel-Jones, Tristan
Goodhart, Sir Philip
Gordon, Mildred
Gorman, Mrs Teresa
Gould, Bryan
Grant, Bernie *(Tottenham)*
Gummer, Rt Hon John Selwyn
Hargreaves, Ken *(Hyndburn)*
Harman, Ms Harriet
Hayes, Jerry
Haynes, Frank
Henderson, Doug
Hood, Jimmy
Hughes, Simon *(Southwark)*
Kaufman, Rt Hon Gerald
Knapman, Roger
Knowles, Michael
Knox, David
Lamond, James
Latham, Michael
Lennox-Boyd, Hon Mark
Lightbown, David
Livingstone, Ken
Lloyd, Peter *(Fareham)*
Lloyd, Tony *(Stretford)*
McCrea, Rev William
MacKay, Andrew *(E Berkshire)*
McNamara, Kevin
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, John *(Hendon S)*
Mates, Michael
Meale, Alan
Michie, Bill *(Sheffield Heeley)*
Mitchell, Austin *(G't Grimsby)*
Moate, Roger
Montgomery, Sir Fergus
Murphy, Paul
Nicholson, David *(Taunton)*
Paisley, Rev Ian
Pendry, Tom
Pike, Peter L.
Rhodes James, Robert
Richardson, Jo
Rowlands, Ted
Ruddock, Joan
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, C. *(Isl'ton & F'bury)*
Smith, Cyril *(Rochdale)*
Smith, Tim *(Beaconsfield)*
Stanbrook, Ivor
Stern, Michael
Thorne, Neil
Waddington, Rt Hon David
Waldegrave, Hon William
Walker, A. Cecil *(Belfast N)*
Wall, Pat
Walley, Joan
Widdecombe, Ann
Wigley, Dafydd
Wray, Jimmy

Tellers for the Ayes:
Mr. Harry Cohen and
Mr. Barry Sheerman.

NOES

Campbell, Menzies *(Fife NE)*
Clwyd, Mrs Ann
Primarolo, Dawn
Wise, Mrs Audrey

Tellers for the Noes:
Mr. Eric Forth and
Mr. Gary Waller.

Question accordingly agreed to.

Mr. Simon Hughes (Southwark and Bermondsey): On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker: There can be no point of order in between putting the two Questions. I shall take the hon. Gentleman's point of order later.

Question put accordingly, That the clause be read a Second time:—

The House divided: Ayes 16, Noes 89.

Division No. 304] **[12.03 pm**

AYES

Biggs-Davison, Sir John
Braine, Rt Hon Sir Bernard
Cohen, Harry
Cryer, Bob
Finsberg, Sir Geoffrey
Gorman, Mrs Teresa
Knight, Greg *(Derby North)*
Lamond, James
Lawrence, Ivan
Livingstone, Ken
Madden, Max
Primarolo, Dawn
Skinner, Dennis
Wall, Pat
Wise, Mrs Audrey
Wray, Jimmy

Tellers for the Ayes:
Mr. Eric Forth and
Mr. Gary Waller.

NOES

Alison, Rt Hon Michael
Allen, Graham
Alton, David
Anderson, Donald
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Barnes, Harry *(Derbyshire NE)*
Battle, John
Beckett, Margaret
Beggs, Roy
Beith, A. J.
Bendall, Vivian
Benn, Rt Hon Tony
Bottomley, Peter
Bowden, Gerald *(Dulwich)*
Bowis, John
Bradley, Keith
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Carrington, Matthew
Corbyn, Jeremy
Cran, James
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dixon, Don
Dunwoody, Hon Mrs Gwyneth
Durant, Tony
Ewing, Mrs Margaret *(Moray)*
Farr, Sir John
Fearn, Ronald
Field, Frank *(Birkenhead)*
Flynn, Paul
Forsythe, Clifford *(Antrim S)*
Garel-Jones, Tristan
Goodhart, Sir Philip
Gordon, Mildred
Gould, Bryan
Grant, Bernie *(Tottenham)*
Gummer, Rt Hon John Selwyn
Hargreaves, Ken *(Hyndburn)*
Harman, Ms Harriet
Hayes, Jerry
Haynes, Frank
Henderson, Doug
Hood, Jimmy
Hughes, Simon *(Southwark)*
Kaufman, Rt Hon Gerald
Knapman, Roger
Knox, David
Latham, Michael
Lennox-Boyd, Hon Mark
Lightbown, David
Lloyd, Peter *(Fareham)*
Lloyd, Tony *(Stretford)*
McCrea, Rev William
MacKay, Andrew *(E Berkshire)*
McNamara, Kevin
Mahon, Mrs Alice
Marek, Dr John
Marshall, John *(Hendon S)*
Mates, Michael
Meale, Alan
Mitchell, Austin *(G't Grimsby)*
Moate, Roger
Montgomery, Sir Fergus
Murphy, Paul
Nicholson, David *(Taunton)*
Paisley, Rev Ian
Pendry, Tom
Pike, Peter L.
Rhodes James, Robert
Richardson, Jo
Ruddock, Joan
Sedgemore, Brian
Sheerman, Barry
Shersby, Michael
Shore, Rt Hon Peter
Short, Clare
Smith, C. *(Isl'ton & F'bury)*
Smith, Cyril *(Rochdale)*
Stern, Michael
Strang, Gavin
Thorne, Neil
Waldegrave, Hon William
Walker, A. Cecil *(Belfast N)*
Walley, Joan
Widdecombe, Ann
Wigley, Dafydd

Tellers for the Noes:
Mr. Frank Doran and
Mr. Bill Michie.

Question accordingly negatived.

Mr. Pat Wall (Bradford, North): On a point of order, Madam Deputy Speaker. Earlier in today's proceedings my hon. Friend the Member for Halifax (Mrs. Mahon) raised a point of order about the threatened closure of the KP factory in her constituency which employs——

Madam Deputy Speaker: Order. I can help the hon. Gentleman if he will allow me to.

I have had two points of order from the hon. Member for Halifax (Mrs. Mahon). No breach of order of the House has been committed. Mr. Speaker has received no application from a Minister to come to the House. I can take no further points of order on that matter.

12.15 pm

Mr. Cyril Smith (Rochdale): On a point of order, Madam Deputy Speaker. Is not the chicanery obvious—[HON. MEMBERS: "Name him."]—in view of the fact that the last new clause was debated for almost two and half hours and the major speakers in that debate were people who believe in murder in the womb?

Madam Deputy Speaker: Order. I have been in the Chair since early this morning. The last group of amendments were correctly debated.

Mr. Cryer: On a point of order, Madam Deputy Speaker. You may recall that, to save time, I agreed to withdraw the three amendments in my name in favour of amendment No. 18. Is amendment No. 18 accepted by agreement, or will it be taken at the end?

Madam Deputy Speaker: It will be taken at the end, when we reach it on the Amendment Paper. Mr. Speaker has agreed that it is possible to have a vote on amendment No. 18 if that is the will of the House.

Mr. Madden: On a point of order, Madam Deputy Speaker. I am sure that you heard the hon. Member for Rochdale (Mr. Smith) make an allegation to the effect that those hon. Members who spoke in the earlier debate were in favour of murdering babies——

Madam Deputy Speaker: Order. That is not a point of order. As I keep saying, no breach of our Standing Orders has been committed and I have correctly responded to the point of order correctly made by the hon. Member for Rochdale. That is over.

Sir Bernard Braine (Castle Point): Further to that point of order, Madam Deputy Speaker. I make no allegations, but we all know what has been happening. When I came into the Chamber earlier in the debate, the majority of hon. Members present were opponents of the Abortion (Amendment) Bill, which was subjected to the same time treatment——

Madam Deputy Speaker: Order. I cannot allow the right hon. Gentleman to discuss legislation which is not before us. It is in the best interests of the House and every hon. Member in it, irrespective of their views on these matters, for us to proceed with the Bill before us.

Mr. Madden: Further to that point of order, Madam Deputy Speaker. With the greatest respect, the hon. Member for Rochdale (Mr. Smith), who was not in the Chamber during the debate and did not contribute to it—that does not apply to other hon. Members who sought to raise points of order—made an allegation against hon. Members who have been in the Chamber and who have contributed to the debate. Indeed, the hon. Member for Keighley (Mr. Waller) who spoke for longest during the debate on the new clause and amendments, made clear at the beginning of his speech that he was a supporter of the Bill with which the hon. Member for Rochdale is concerned. I spoke in the debate for eight minutes on behalf of my constituents, who are very concerned about certain provisions of the Bill that we are now debating. I find it grossly offensive to be accused by the hon. Member

[Mr. Madden]

for Rochdale of being in favour of murdering babies. Therefore I ask you, Madam Deputy Speaker, with the greatest respect, to ask the hon. Member for Rochdale to withdraw the allegation.

Madam Deputy Speaker: I have listened to all these points of order. There is no question of me asking an hon. Member to withdraw his remarks. *[Interruption.]* It would be in the best interest of the House for all those who are interested in this Bill, and the others that are to come before us, to get on with it.

Clause 1

COMPULSORY WEARING OF REAR SEAT BELTS BY CHILDREN

Mr. Harry Cohen (Leyton): I beg to move amendment No. 12, in page 1, line 9, after 'fitted', insert
'or has been fitted at any time'.

I shall not attempt to delay the procedings. I want the Bill to reach the statute book. It is a pleasure to speak in this debate, especially after my frustrating experience yesterday. I sat through the debate on prisons because I wanted to make an important speech about the spread of AIDS in prisons and from there to the public outside, but I was not called. I sat through the next debate, too, on the City of London (Spitalfields Market) Bill, which affects my constituents. I was called to speak in that debate but I had only 30 seconds. The frustration left me with a sore throat. Despite the amendments that I have tabled to this Bill, I thought that again I would not be called. The frustration made me think that I was beginning to develop a sore throat. I need the regular exercise of speaking in the House to avoid such frustration.

I congratulate the hon. Member for Cheadle (Mr. Day) on his choice of subject. The Bill is full of good intentions. The Bill was not thoroughly debated in Committee. I noted that in Committee the hon. Member for Keighley (Mr. Waller) said that the last time a similar Bill was debated in Committee, five sittings were devoted to it. There was only one Committee sitting on this Bill. Consequently, on Report and Third Reading there must be a full debate. If not, the consequences will be serious. My hon. Friend the Member for Bradford, South (Mr. Cryer) made that point earlier today.

The Bill is intended to save children's lives. In Committee, the Minister said that last year 60 children were killed and 7,000 injured when travelling unrestrained in the back of cars. Those figures are horrendous. Many of the children were killed or injured in low-speed crashes. As I came to the House this morning, I saw a little girl in the back of a car. She was bobbing up and down just as her father manoeuvred dangerously into a bus lane. A car or a skip might have been parked there, and there could have been an accident. I hope that the Minister will take action about unlighted skips that cause many accidents in my constituency and elsewhere.

My hon. Friends and I are worried about the abuse of police powers. During the miners' strike the police used all sorts of excuses to pull up miners while they were travelling in cars. If legislation of this kind had been on the statute book then, they might have used it to pull up miners who had children in the backs of their cars. We are worried about the injustice that could be caused through sheer spite. However, the police complaints procedure has been improved. It could be improved further. We have to decide whether injustice should be tolerated if lives can be saved. The saving of life comes out on top. Despite the good intentions of the hon. Member for Cheadle, there are gaping loopholes in the Bill. My amendment seeks to close them and to improve the Bill.

New clause 2 provides that all motor car manufacturers that do not fit rear seat belts can be fined £1,000. Unfortunately, that new clause has not been called. I wanted to fill a loophole. I understand that this is no excuse for not doing it in the Bill. Some motor car manufacturers are anti-social when it comes to their profits and want to maximise them regardless of the safety implications. It is similar to the approach to unleaded petrol. Earlier this week, my hon. Friend the Member for Stoke-on-Trent, North (Ms. Walley) went to a seminar of motor car manufacturers to point out that a pathetic number of cars are produced to run on unleaded petrol, although the Chancellor boasted in his Budget speech about the improvements that there would be.

The amendment will prevent people ripping out rear seat belts just to get round the law. This may be done by second-hand car salesmen—a much maligned group who, despite doing a decent job to make a living, have a reputation for being unscrupulous. I recall that President Nixon was linked to second-hand car salesman. It was asked: "Would you buy a used car from this man?" In that case, it was proved true that one should not. A car without rear seat belts may be used as a selling point and be sold more cheaply. I am tempted to say that we may well have to apply the test: "Would you buy a used car from this man?" to the next leader of the Social and Liberal Democrats, but we shall see what happens. A clever solicitor may use the fact that seat belts have been ripped out to get round the law.

Legislation with loopholes may result in extra administration and costs to the police and courts, to no good effect. The original purpose of the legislation may not be achieved. Our job is to close loopholes. I am prepared to withdraw the amendment if the hon. Member for Cheadle can give me an assurance that he will carefully consider the matter and try to close this loophole with an amendment in the other place.

Mr. Peter Bottomley: The hon. Member for Leyton (Mr. Cohen) said, I think, that he was withdrawing the amendment—

Madam Deputy Speaker: Order. Let us get this absolutely right. The hon. Member for Leyton (Mr. Cohen) asked for assurances before he would withdraw the amendment.

Mr. Bottomley: The hon. Gentleman asked for assurances from my hon. Friend the Member for Cheadle (Mr. Day). Vehicles registered after April 1987 must have rear seat belts fitted. Vehicles registered before do not. The amendment would be impracticable. My hon. Friend the Member for Cheadle may be able to give assurances that he will continue to consider the point, but the Government's clear advice is that it would make the law unenforceable, and it is important to have an enforceable law to meet the main aim of those who support the Bill, which is that more children should be protected more often.

12.30 pm

Mr. Forth: I am slightly confused. I was waiting for the hon. Member for Leyton (Mr. Cohen) to explain what his amendment involved and what its aim was, but he did not do so. There may be some substance in the amendment. I thought that the hon. Gentleman might say that if people removed seat belts already fitted in a vehicle with a view to evading the purpose of the Bill, the amendment would catch them. He referred to a loophole and I assume that that is the one that he meant, in which case there is an interesting divergence of view between the hon. Member for Leyton and the Minister.

I cannot imagine why my hon. Friend the Minister did not want to explain his views rather more fully. Let us suppose that there are anchorages or fixing points in the rear of the vehicle and someone removes the seat belts to exploit the loophole to which the hon. Member for Leyton referred. I should have thought that it was an eminently enforceable, checkable and policeable proposition to say that it would be possible to establish that that had happened. If a vehicle was involved in a road traffic accident involving injury, the police could readily satisfy themselves whether the vehicle contained anchorage or fixing points for seat belts and whether those seat belts had been removed from it.

Mr. Stern: My hon. Friend is being carried away by flights of fancy. I have just purchased a second-hand car. Under the amendment, I would have had to ask the previous owner whether there had ever been belts in the car. As he is dead, I might have some difficulties. Whatever the merits of the amendment, it is wholly unenforceable in law. I invite the hon. Member for Leyton (Mr. Cohen) to drop it so that we can get on.

Mr. Forth: I do not think that my hon. Friend is right. Even though he may not be gifted with great mechanical knowledge or interest, I am sure that by looking at the car even superficially he could satisfy himself that rear seat belts had been fitted or that provision had been made for them. That is not an unreasonable or impossible request. I believe that there is substance in the amendment. I am not satisfied with the peremptory way in which the Minister has dismissed it. He has not satisfied me. I wonder whether he has satisfied the House——

Ms. Clare Short (Birmingham, Ladywood): I am satisfied.

Mr. Forth: The hon. Lady may be satisfied, but I am not.

Mr. Day: If my hon. Friend will allow it, I would like the hon. Member for Leyton (Mr. Cohen) to tell us whether he is satisfied and will withdraw his amendment.

Mr. Forth: My hon. Friend makes a reasonable point. If the hon. Member for Leyton had explained the matter a little more fully, and if it had been dealt with in a more leisurely manner rather than in an unseemly rush, probably we could have resolved it. My hon. Friend the Member for Cheadle (Mr. Day) must restrain himself. He was getting excited and encouraging the hon. Member for Leyton to go a little more quickly than was strictly necessary. Let me give my hon. Friend some advice. If he allowed the matter to unfold in the fullness of time, he might find that we progress rather more quickly than we are at present. I have been provoked quite needlessly to my feet, partly because the hon. Member for Leyton could not fully explain the amendment and partly because the Minister gave a most unsatisfactory response.

Ms. Short: I shall attempt to help the hon. Gentleman. I heard both the speech of my hon. Friend the Member for Leyton (Mr. Cohen) and the Minister's response. At first it seemed to me that there was a loophole and that people could remove seat belts and prevent the law from being implemented. The Minister then explained that the law already provides that every car produced after 1986-87 must have rear seat belts. That is an absolute requirement. Therefore, if one removes them, one is in breach of the law. That is a better, neater and tighter way of achieving the object of the amendment.

Mr. Forth: I am grateful to the hon. Lady who, in her inimitably elegant way, has made in an intervention points that she might have been tempted to make in a speech. She may still be tempted to make a speech——

Ms. Short *indicated dissent.*

Mr. Forth: That is not the case. However, if the hon. Member for Leyton were to wish to withdraw his amendment, he would have to ask the leave of the House. I am not prepared to give him my leave to withdraw it unless the Minister can satisfy me about why the point that he made about unenforceability is relevant——

Mr. Peter Bottomley: The point that I should like to share with my hon. Friend—I think that I have already shared it with the House—is that there is no loophole. Vehicles registered after April 1987 must have rear seat belts fitted. The provisions of this Bill would then have effect. There is no practical way of knowing whether vehicles registered before 1987 had previously had restraints fitted. Let us suppose, for example, that a previous owner had a rear-facing infant carrier as part of the car and that that was taken away when the car was sold. Tracking back through the vehicle's history is unenforceable. I spoke briefly because I thought that my explanation was clear.

Mr. Forth: I am grateful to my hon. Friend. He is now suggesting that I alone was unable to follow his clear explanation. That is typical of my hon. Friend's incisiveness, elegance of thought and ability to put me down without any great effort. However, I am still not happy because I still believe—I shall make this point only once again because I do not want to delay the House—that many types of fittings for rear seat belts would leave a clear trace on the vehicle—for example, mounting points or drilled holes. I should have thought that it would be eminently easy to trace whether there had been a fitting before.

As I seem to be the only hon. Member who can see that point I do not think that it is right to pursue it. I shall trust, as I nearly always do, my hon. Friend the Minister and leave the matter in his safe hands, and I shall leave the matter, as I sometimes do, to the judgment of the hon. Member for Leyton and my hon. Friend the Member for Cheadle, the promoter of the Bill, to see whether they can sort it out between them, given the hints that I have dropped.

Mr. Day: My hon. Friend the Minister is right that there could certainly be some enforcement difficulties. I compliment the hon. Member for Leyton (Mr. Cohen) on

[Mr. Day]

his approach. I know that he is a sincere and objective supporter of the Bill and I am grateful for his support. I hope that, in view of the Minister's explanation, which I found satisfactory, the hon. Gentleman will feel able to withdraw his amendment and allow us to proceed.

Mr. Cohen: I am prepared to withdraw the amendment. It was important to air the matter and to hear what the Minister had to say. We shall read carefully his comments about unenforceability and, if need be, the matter can be raised in another place. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Waller: I beg to move amendment No. 20, in page 1, line 11, leave out 'under the age of' and insert 'between the ages of three and'.

Mr. Deputy Speaker (Sir Paul Dean): With this it will be convenient to take amendment No. 13, in page 1, line 11, leave out 'fourteen' and insert 'sixteen'.

Mr. Waller: I recall the words of my right hon. and learned Friend the Chancellor of the Duchy of Lancaster who, in 1980, was the Minister for Roads and Traffic. He drew attention to the fact that it could be dangerous to require a small child to wear a seat belt that was not intended for a child. He stated:

"If the belt is worn in such a way that it is across the neck of the child, the belt is a positive danger."—[*Official Report, Standing Committee C*, 23 January 1980; c. 84]

In the regulations that we are to lay before the House—we do not have an opportunity at this stage to know exactly what form they will take—my hon. Friend the Minister is to state what types of belt should be worn in what circumstances. Presumably there will be some reference to the ages and sizes of children.

Ms. Mildred Gordon (Bow and Poplar): Would it not be advisable to specify in the regulations that alternative linkage points should be provided? From my experience of adult seat belts, I know that cars are not designed for short fat ladies. The belt cuts across my neck and in an accident I should probably be decapitated. Some newer cars provide alternative linkage points so that people can choose the one that suits them best, but it is not a requirement for all cars. With children, who vary greatly in size according to their age, it is even more important to provide alternative fixing points for seat belts.

Mr. Waller: I agree with the hon. Lady about the importance of that. Indeed, in my discussions, I have had many complaints about the difficulty of fitting children into certain types of restraint. The search must continue for better types of restraint so that children can be secured safely and the task is less ardous for parents. Parents would then be more willing to undertake the task and the children might be more comfortable and thus less anxious to extricate themselves in the way that I described earlier.

The regulations will evitably be somewhat complicated. My hon Friend the Minister has confirmed that if restraints are fitted they will be required to be worn. As there is no compulsion for child restraints to be fitted, some parents, guardians or drivers may decide, as they will be legally entitled to decide, not to put in special child safety restraints. I understand that such restraints are quite expensive and although one or two companies have very good schemes enabling parents to obtain them on hire or lease, some parents will simply not do so and there is no requirement that they should. The regulations being somewhat complicated, it seems reasonable to assume that some drivers will believe that because there are belts in the car those belts must be worn by children too young or too small to wear them safely. That is a matter of considerable concern, as my right hon. and learned Friend the Chancellor of the Duchy of Lancaster and many others have pointed out, that that could constitute a positive danger to some children.

Mrs. Wise: The difficulties that the hon. Gentleman describes are mechanical aspects of design and thus capable of being overcome in the ways suggested by my hon. Friend the Member for Bow and Poplar (Ms. Gordon). Does the hon. Gentleman agree that babies are most capable of being safely restrained and that the advantage of this legislation will be that children grow up with the habit of being restrained and parents will acquire the expectation that restraints should be provided? The hon. Gentleman's amendment seems to go in the opposite direction. Has he considered those points?

Mr. Waller: I entirely agree and I would firmly advise anyone with any doubt on the matter that they should ensure that any child, virtually from birth, is securely restrained. My hon. Friend the Member for Cheadle (Mr. Day) has stated positively, however, that there is no intention of making it a legal requirement at this time to fit such equipment. That being so, whether we like it or not, inevitably there will be some cars where that equipment is not fitted.

Also, parents who normally carry teenagers, who could happily wear a normal belt, may occasionally find that they have to carry a baby or a toddler in the rear, but they do not have the suitable fitting. There is no proposal that such a fitting should be required. If there are no belts, it will be permissible for the child to be carried in the rear of the vehicle.

12.45 pm

Even if my hon. Friend the Minister introduces regulations that specify an exemption for a child of under three or four to be carried, there is always a danger, because parents cannot be expected to be familiar with the detailed regulations but may know from the Bill that there is a requirement that, if belts are fitted, they should be worn. Therefore, they may perhaps wrongly rely on the standard equipment that is now required to be fitted to all motor vehicles.

Mrs. Wise: Will not the hon. Gentleman join some of us in urging that the regulations should ensure that appropriate fittings for infants are included, along with the compulsory fittings for adults? Is not that the way in which we should proceed? Does not the hon. Gentleman accept that it is babies who are more vulnerable because they are the lightest? It is easier for them to be thrown through the roof or the windscreen.

Mr. Waller: Indeed. We have all seen the horrific films of mock-ups, with babies being thrown forward through the windscreen of a car. I particularly condemn adults who hold a baby in front of them, perhaps in the front of the car. In many cases a baby has been killed by the weight of

an adult or crushed between the adult and the dashboard or windscreen, but most often the baby is thrown forward through the windscreen.

We know from experience that if a person is ejected from a vehicle, especially a baby, his chances of survival are much less. I remember cases on motorways of children, because of a sudden change of direction, being ejected from a car and not surviving.

In 1980 the Department of Transport produced a draft document, which said:

"People under 5 feet in height (including children) may be unable to wear a seat belt without discomfort because the diagonal strap lies too high on the body."

I reiterate the need to devise better fittings in future, which can be adjusted. However, unfortunately, we are not talking about the ideal; we are talking about the present law and how parents and drivers will deal with the law as set out in the Bill.

We have no opportunity to see the proposed regulations and it now appears that there will be no statement before they are laid, so we have to take the Bill at face value. Parents or drivers might make the reasonable assumption that they must use a belt, whatever it may be, because it is fitted. My hon. Friend the Member for Cheadle has said time and again that if a belt is fitted, it is required to be worn. That is why I tabled the amendment.

I shall be interested to hear what my hon. Friend the Member for Cheadle and the Minister have to say. The great risk with such legislation is that it is not clear and we can read into it what we will. We do not know what the regulations may be and we fear that if they are not straightforward—I do not see how they can be, bearing in mind the different permutations for which one would have to make allowances—we may well put children into greater danger than they are in without the legislation.

Mr. Day: My hon. Friend the Member for Keighley (Mr. Waller) has taken great interest in the Bill from the word go and I have no doubt that his intentions are honourable. Indeed, on many occasions his contributions have been constructive and helpful. But with all due respect, the matter in amendment No. 20 is undoubtedly best considered in regulations and I should like to make some suggestions about what the regulations might be.

The choice of three years in the amendment is arbitrary, and I cannot see why that period has been chosen. Equally, what the hon. Member for Preston (Mrs. Wise) said about babies being at risk is correct. There is no reason why the Bill should exclude babies and toddlers in appropriate restraints. There is certainly no published evidence to suggest that the use of adult belts by small children increases the risk of serious or fatal injury. However, there is mixed opinion about whether parents should be given no option but to restrain their children in this manner. That matter should be covered by regulations.

Mr. Waller: My right hon. and learned Friend the present Chancellor of the Duchy of Lancaster said that it would be a positive danger if belts were worn the wrong way and across the neck of a child. It has been suggested by a former transport Minister, who has studied the matter with care, that we could therefore put a child into greater danger, despite our best intentions.

Mr. Day: That is indeed a correct quotation, but my right hon. and learned Friend was referring to a belt not applied appropriately; it is not said that it is dangerous to use an adult belt. Many types of equipment can be dangerous if used incorrectly, so that is not a relevant criticism of the Bill.

Mr. Sheerman: Will the hon. Gentleman confirm that the law relating to chidren in front seats of cars already stipulates that they must wear seat belts and that there is little record of any serious or minor injury to children wearing adult seat belts in front seats?

Mr. Day: The hon. Gentleman is absolutely correct.

I see no reason why regulations should not take account of this important question and why babies under one year old should not have an approved infant carrier or carry-cot restraint. I see no reason why for children aged between one and four any type of approved child restraint should not be suitable. For children between the ages of five and 13 any type of approved child restraint or adult seat belt is suitable. If we approach the matter from that angle, bearing in mind that the Minister has the best interests of children at heart and has given assurances that he will consult widely, the amendment is unnecessary. I hope that the House will oppose it.

Mr. Ivan Lawrence (Burton): As, alas, the attempts of hon. Members who supported the Abortion (Amendment) Bill are to be thwarted, I feel some relief from the obligation that I placed on myself not to speak in this debate. Perhaps I may address a few remarks to the amendment, which I support.

My bona fides of interest in this subject stretch back many years—before most Opposition Members appeared in the House. I have exercised enormous self-restraint since my hon. Friend the Member for Cheadle (Mr. Day) introduced the Bill. Although the inevitability of life and the decision of the House in making the wearing of seat belts compulsory lead us to the next stage of accepting that that compulsion will apply to children, it should not lead us to produce legislation that is nonsense. We must try to ensure that legislation makes sense, is reasonable and practicable and will last some time on the statute book.

I support the amendment. Nonsense is inherent in the Bill about the age at which children are expected to wear belts because there is to be no compulsory fitting of seat belts suitable for small children. Under the Bill, parents will feel obliged to use seat belts for their children, and that may cause them considerable danger.

I recall that for many years the RAC opposed the compulsory wearing of sealt belts, principally because it thought it was quite immoral to oblige people to wear belts that might kill them. We have discussed the matter further over the years and, more recently, the then Minister responsible for the legislation, my right hon. and learned Friend the Chancellor of the Duchy of Lancaster, said:

"If the belt is worn in such a way that it is across the neck of the child, the belt is a positive danger . . . With the exception of the tiny child, it is possible to adjust the belt and the way that the child is sitting so as to make the belt a positive protection."—[*Official Report, Standing Committee C*, 23 January 1980; c. 84.]

He was saying that a seat belt could be reasonably adjusted, but not for a tiny child. I should have thought that that was manifest good sense—as is anything that my right hon. and learned Friend says. It is self-evident that one cannot safely put a tiny child in a seat belt that is not specifically tailored for it.

The hon. Member for Huddersfield (Mr. Sheerman) intervened earlier and said, if I understood him correctly,

[Mr. Ivan Lawrence]

that it is necessary for children sitting in the front seat to wear a seat belt and that there is no evidence of any great harm being done to them. The answer is that no parent with a ha'porth of commonsense or concern for the safety of their tiny child would dream of putting it in the front seat of a motor car unless the child was being held or restrained by an adult, and the dangers of that are self-evident. The hon. Member for Huddersfield has a long history of interest in this subject, and much knowledge about it, but what he suggested has never been tested. Tests would arise only under the Bill.

My first objection to the Bill and reason for supporting the amendment is that to leave matters as they are is manifestly an invitation to danger for small children. Although those of us discussing these matters are very sensible, intelligent and reasonable I am afraid that one cannot always say that about everyone in society. I have seen the most unbelievable things happening in cars where parents have obviously not exercised any common sense over the way in which their very small children behave. It is perfectly possible for a parent to believe that the law states that they must wear a seat belt and that therefore their children must also wear one. Therefore the seat belt in the car must be put round the child no matter how old that child is. The courts are full of stupid, irresponsible, thoughtless and senseless parents who have behaved in a way in which some people may consider to be grossly negligent, if not criminal, with regard to very small children. That is life. That is what happens.

1 pm

I am afraid that if there is no qualification in this legislation to the effect that people with very small children need to have a seat belt fixed in the rear which is not meant for a very small child, very small children will inevitably sit in the back of cars wearing seat belts that are wholly inappropriate and dangerous to those children. That is why we should amend this part of the Bill.

Mr. Day: My hon. and learned Friend said that if the Bill is left as it is it will be an invitation to danger. That is an incredible statement to make about a Bill designed to protect the lives of young children. Surely the greatest danger for children would occur if the Bill did not become an Act. It is essential that the Bill is successful.

My hon. and learned Friend also said that the courts are full of people who have not complied with the law. He must accept that the present seat belt law is self-enforcing, and this legislation would be the same. In an opinion poll on this matter 90 per cent. of parents said that they saw the logic in compulsory restraint of their children. How on earth can my hon. and learned Friend claim that the courts will be full of people who will not comply with this?

Mr. Lawrence: I apologise if my lack of practice in dealing with these matters has caused me to express myself so badly. My hon. Friend misunderstands me. I do not for one moment doubt his bona fides and good intentions, which all of us share. It is very important that, in practice, we should protect our children from danger. However, there is a gap between that excellent intention, which we all share, and the practice that will emerge from the Bill. We must get the practice right. No amount of good intentions will save children's lives if they are put in danger in practice.

There is another danger facing a small child wearing an unsuitable belt. I am not referring to the fact that the child may be thrown from the back seat to the front and somehow damaged, or thrown into the well in the back seat area and hurt. I am referring to the fact that the child may be strangled by the belt if he is caught in a crash and minutes pass before he can be released from the wreckage.

That is why we must be particularly careful that the legislation makes practical sense. We all agree that the end in view is the safety of children and I do not for a moment resile from the necessity of such a measure being introduced if it is practical.

Mrs. Gorman: Is my hon. and learned Friend aware of a case reported in the newspapers recently where such a tragedy occurred? A very small child was belted in the rear of a car that was involved in an accident. The child could not be released and the mother watched her child burn to death because it was strapped into the back seat.

Mr. Lawrence: We can always find examples to support either side of the argument. My hon. Friend has put a finger on a particular case, underlining and supporting the point I was making.

Mr. Peter Bottomley: I hope to say a word or two later, but I intervene now because I believe that my hon. Friend the Member for Billericay (Mrs. Gorman) was referring to a widely publicised tragic accident in which a child was burn to death when the car in which it was travelling was hit by another. However, subsequent expert investigations revealed that no child restraint had been fitted.

Mr. Lawrence: That shows that particular examples raised by one side of the House or the other may not always be reliable. Ultimately, we must rely on our own experience and common sense.

My first, and most important, single objection is that if we are not careful in introducing an amendment, we may put on to the statute book a measure that would result in causing the death or injury of the very children whom we seek to protect—principally, very young children who would not normally wear an adult restraint of the type most of us have in mind.

My second objection is that the Bill as drafted places an obligation upon the driver to excuse himself. He is required to explain why a child under the age of 14, being carried in a car in which a seat belt was fitted, was not properly restrained by it. That transfers the burden in a criminal matter to the accused. The essence of our law is that the burden is on the prosecution to prove guilt. It is not just a matter of theory. If there were to be any other general principle, we would need 10,000 times the number of courts that we have now.

Ms. Short: The hon. and learned Gentleman should be in favour of that.

Mr. Lawrence: No—I do not invite any more competition.

If we required people to give an account of themselves every time that we did not like what they were doing, because it was allegedly contrary to some supposed idea of the law, the legal system would become impossible to administer. There is a practical reason why the burden of proof is upon the prosecution to establish guilt. There is also the question of civil liberties, but I shall not waste the time of the House now in describing why that is so. Courts

are very jealous about creating too many situations in which the obligation is upon the accused person to give an account of himself, even if that account does not have to satisfy the court beyond reasonable doubt but only on the balance of probabilities.

There are many examples, though again I shall not take up the time of the House describing them all, where that burden of proof is reversed. It is always reversed where it is manifestly unjust or impossible for the law to be enforced unless a serious obligation is placed on the accused to explain himself—such as in cases involving the possession of an offensive weapon. If it is manifestly clear that it is an offensive weapon, obviously a person should be in possession of it in public only if he has some important excuse; the burden is on that person to explain himself.

What on earth is the justification for allowing the police to bring a prosecution against a person whose child was not restrained by a seat belt fitted in the rear of the vehicle? Why should such a person be required to go to court and offer a reasonable excuse? Why should the burden be transferred in that way? Why change the whole tenor of British law? Some of us have warned that the point will soon be reached where practically every item of legislation passed by the House will require that defendants give a reasonable excuse for their actions. This seems a splendid example. We have got into the habit of placing the burden of explanation on the accused, so it is very simple to put it into the Bill. I am against that on principle: I do not think that we should ever transfer the burden, unless it is important for the securing of justice in a serious criminal matter.

Mr. Waller: Does my hon. and learned Friend agree that particularly difficult circumstances would arise if the driver were accompanied by only one person—a young child? Would it not cause considerable problems for a child to be expected to come to court and respond to questioning? After all we are ultimately dealing with the criminal law.

Mr. Lawrence: My hon. Friend tempts me, but he must not. It is precisely that sort of question that triggers off a temptation in me to spend the next hour or two explaining exactly why what he says is right. But I must resist the urge, however tempting it is. I am merely outlining my objections. If I went into chapter and verse of why I am making them, we could carry on until the end of the sitting, and, if we had another day, until the end of that day as well. I am specifically restraining myself—as if I were wearing a seat belt! I shall move on quickly to my third objection.

My hon. Friend the Minister has just said—and will say it again, no doubt—that these fears are unfounded, because provision will be made by regulation. I feel, however, that we must stop legislating by regulation. It is all too easy for the Government to say, "Give us the powers and we will regulate." The trouble with regulations is that we debate them from 10 pm until 11.30 pm or even later, and some of us who wish to speak are unable to catch Mr. Speaker's eye. Regulations are an entirely inappropriate method of legislation, unless there is no other way.

Although I have the greatest confidence in my hon. Friend the Minister, and in the likelihood that the regulations will receive the widest consultation and magnificent support from everyone and every organisation, I do not know how long he will be Transport Minister. I do not know whether I shall feel the same confidence in his successor, or in his successor's successor. I do not even know whether, when the matter is implemented by regulation, the same Government will be in office—although I am of course as confident as it is possible to be. *[Interruption.]* I hope that I shall not be tempted down that line, because I know that you would stop me, Mr. Deputy Speaker.

Government by regulation is government by ignorance. We who are passing the laws now are ignorant of what will be in future regulations. We are signing a blank cheque.

Mr. Deputy Speaker: Order. The hon. and learned Gentleman is now straying to the merits and demerits of regulations in general. He must direct his remarks to the amendment.

Mr. Lawrence: I am grateful to you Mr. Deputy Speaker, for bringing me into line, and I shall direct my remarks specfically to the amendment. My hon. Friend the Minister will say that I have no need to fear the use of rear restraints for tiny tots, because he will make a regulation.

Mr. Forth: My hon. and learned Friend will recall that earlier this morning our hon. Friend the Minister reassured us that extensive consultations would take place. Does he not feel that that will deal entirely with any reservations that he may have? He knows about the process of consultation between a Minister and other r j 8-1interested parties. Our hon. Friend mentioned taxi drivers and responded to an intervention about the disabled; he is clearly prepared to talk to many different groups about the possible effect of the regulations. Does that not reassure my hon. and learned Friend?

Mr. Lawrence: My hon. Friend is tempting me down another avenue that goes on for miles and miles. Those of us who have been active in this place know that consultations do not always end with the result that is anticipated when they are lovingly referred to by those who are to make the consultations. I have spoken for four and a half hours on a subject where there were consultations, consultations and yet more consultations. At the end of all that, the conclusion was a load of rubbish. Therefore, I have no great confidence that the mere fact of consultations taking place will achieve the correct result.

1.15 pm

Sometimes, after one has been consulting for a long time, one says, "Well, one person says one thing, another says something else and the whole thing is confusio[illegible] I have to come to a decision, and this is it." Opposition Members say that that is what happened on the community charge. They say that there were consultations, the Government were confused and that they came to the wrong conclusion. Therefore, consultations are not an excuse for regulations that may yet come before the House and which are unsigned cheques.

I know that the House is anxious to get on and I shall conclude. It will be dangerous if the Bill remains in its current form without an exception for tiny children. That was referred to by my right hon. and learned Friend the Chancellor of the the Duchy of Lancaster in his speech in 1980. It will be dangerous for the tiny child. It is inappropriate to bring forward legislation by shovelling it

[Mr. Lawrence]

under the compendium of regulations that may or may not emerge in a form that we may or may not like and which we may or may not have an opportunity to debate. It is wholly against the principles of our law that we should, at every turn, place the obligation upon the accused person to explain himself. For those reasons, as the Bill stands on this matter, it is wrong and the amendment tabled by my hon. Friend the Member for Keighley (Mr. Waller) is right and I support it.

Mr. Peter Bottomley: Some time ago my hon. Friend the Member for Keighley (Mr. Waller) tabled what I think the House will understand to be a probing amendment in order to consider the issues contained in that amendment. My hon. and learned Friend the Member for Burton (Mr. Lawrence) has told us about his considerable restraint in the early stages of the Bill——

Ms. Short: Restraint?

Mr. Bottomley: Yes, I acknowledge the use of the word "restraint". Single-handedly my hon. and learned Friend could have blocked the Bill and he could still do so. The House needs to acknowledge that.

Mr. Lawrence: I have no intention of doing so.

Mr. Bottomley: I should pay a back-handed tribute to my hon. and learned Friend. I was voting for front seat belt wearing before he was. In fact, I am not sure whether he has got round to voting for front seat belt wearing. the countries that passed the front seat belt law 10 years ago are mainly stuck at compliance rates of about 60 per cent. We have a compliance rate of 95 per cent. Our experience shows that the British public will accept what is sensible, especially when Parliament has considered the issue, not necessarily at great length, but in some depth.

My belief and the belief of the supporters of the Bill and many who are agnostic is that if the Bill comes into effect with appropriate regulations that provide for exemptions, the wearing and protection rate for children and infants and, by extension—although not covered by the law—for adults in the back of cars, will increase and that avoidable disadvantage, distress, injury and misery will be avoided on a significant scale.

It is right that the question of appropriate restraints should be considered. However, if we are to obtain the benefit of consultation and the views of those outside the House as well as within, we need to have consultation. We need to bring forward the issues so that they can be considered inside and outside the House.

I hope that my hon. Friend the Member for Keighley will not consider it necessary to press the amendment and to write an age limit into the Bill. That would be a mistake. It would put more people at risk and lose the advantage of consultation.

Mr. Waller: Does my hon. Friend consider that it would be better to go away and think further, accept that there is a need for legislation, and to come back with a Bill that contained more information and was more carefully drafted and less vague that the one before the House? Before too long, the House may have the opportunity of considering legislation on this subject, and it would be better if we could see what is proposed. I agree with my hon. and learned Friend the Member for Burton (Mr. Lawrence) that there is a real danger that confusion will be caused in the minds of those using cars if they cannot easily discern what is required of them. That would cause more danger, not less.

Mr. Bottomley: The sensible and right thing to do for parents and other adults who carry children in cars is well-known from television programmes, Department of Transport advice and the activities of a large group of organisations which support the Bill, not only because they want legislation but because they have professional experience and family organisational experience of the extra protection needed for children.

I do not need to remind the House of the extent of inquiries into the number of child abuse cases. I do not want to draw a narrow parallel with parents who regularly expose their children to unnecessary risk by taking them unrestrained in cars, but sometimes we get our balance of priorities wrong by not considering the end result that we are trying to avoid—the unnecessary death of children.

The Bill itself is plain. It provides that from a date to be announced children in the backs of cars must be restrained. What is not clear and precise is the degree of exemption that the regulations will cover. The Bill cannot be accused of being vague. If the regulations are to be acceptable, wide consultation is required which those who have questioned the details of the Bill would want Parliament to require the Government to carry out before producing the regulations.

My hon. and learned Friend the Member for Burton discussed the question of reasonable excuse. Reasonable excuse is an opportunity for those who have a child unrestrained in the back of the car not to be convicted. I should have thought that someone with experience of prosecuting and defending would prefer it not to be an absolute offence. In the rare cases of prosecution enforcement, the prosecution would have to demonstrate that the child was under a certain age, was in a car where restraint was fitted, and was not wearing it. The reasonable excuse question arises as to whether they should be convicted. Reasonable excuse allows mitigating circumstances to be put forward, and I should have thought that my hon. and learned Friend would have pushed for such provision to be made if it was not included in the Bill.

Regulations can keep up with changes in technology. We have heard about those who are smaller, and we know about some of the adaptations for infants, for younger children and for adults. There can be adjustments to the shoulder height and adjustments at the back of the belt so that it can be brought down to suit any shoulder. Regulations allow future technology improvements to be taken into account, rather than waiting for the lottery of the private Member's Bill procedure.

It is not the tradition of the House that the Government should promote such a Bill. It requires only one hon. Member to prevent a Bill from getting through, and if that hon. Member is not satisfied the Bill will not get through. However, if the Bill does not get through today, hundreds of thousands of children will be left unprotected for years until another hon. Member brings forward a Bill, as has my hon. Friend the Member for Cheadle (Mr. Day), and allows the House to consider whether it is possible to bring in extra protection.

Mr. Bill Michie (Sheffield, Heeley): I fully support the Minister's point that the Bill is important. It may not cover

everything that concerns me. This is not a filibuster. I wrote on 22 December to the promoters of the Bill about extending it, and I fully realise that that is not possible. Nevertheless, the fact that the Bill has certain weaknesses is no justification for it being lost, and we should at least trust the Government and the promoters of the Bill to try to extend it later on.

Mr. Bottomley: I do not accuse any hon. Member of trying to lose the Bill. I welcome some of the comments that have been made. Improvements were made in Committee, and there will be further improvements to the Bill if we make progress.

During the remaining hour and six minutes of the debate I ask those who have doubts about the Bill to consider allowing the Bill to be passed so that it may be considered in another place.

Mr. Waller: My hon. Friend the Minister has made the reasonable point that a subject of this kind is normally the subject of private Member's Bills. If a Government Bill dealing with road safety were to be considered by the House in the relatively near future, is my hon. Friend able to confirm that it would provide an opportunity for a better-drawn provision of this nature to be incorporated in it? That is what happened on a previous occasion. This is not a once only attempt; if the Bill is lost, might there not be an opportunity before very long to introduce better proposals that could be incorporated in legislation?

Mr. Bottomley: Probably, but at a cost of 60 children dead and several thousand injured.

Mr. Tony Lloyd: I am conscious of the fact that there are some hon. Members who want to frustrate the Bill's progress. The Opposition agree with many of the points that the Minister has made, in particular that no advantage would be served if, as a matter of principle, those up to the age of three were removed from the provisions of the Bill. There are strong reasons for saying that they are the most vulnerable and most in need of protection of this kind. Both by size and ability to communicate they are the least able to make up their own minds.

The hon. Member for Keighley (Mr. Waller) has made an important point about the type of restraint that should be used. It is important that the regulations should get it right, but the evidence shows that a child in the rear of a car who is restrained by any kind of restraint is better off than a child who is completely unrestrained.

The hon. Member for Billericay (Mrs. Gorman) referred to a particular case, but the Minister assured the House that she was wrong. I read about the case that the hon. Lady quoted and I was horrified by it. I can think of nothing worse for a parent than to see his other child burning to death in the back of a car. All hon. Members realise that that could happen, but we have to strike a balance. It would be irresponsible not to recognise that something that will save life in the vast majority of cases might also cause death, but all the evidence clearly favours the restraint of children who travel in the back of cars.

Mr. Peter Bottomley: Whenever a case is reported of a child under restraint having died in circumstances similar to those to which my hon. Friend the Member for Billericay (Mrs. Gorman) rightly referred, I make it a habit to ask for an investigation. During the last two years there have been two reports. The first referred to this fire, about which I have given information. The second referred to a child who was travelling in the front seat of a car. It transpired that an unrestrained adult in the back of the car was thrown forward and crushed the child in the front seat. I shall continue to ensure that any reported cases are investigated and, where necessary, I shall make a report to the House.

Mr. Lloyd: I thank the Minister for intervening. He said that there have been two cases, in the first of which it was suspected that——

Mr. Peter Bottomley: The first was the case to which I referred earlier, where there was no restraint, though earlier reports said that there was. The second case was of an unrestrained adult in the back of a car who was thrown forward, leading to the death or injury of a child in the front of the car.

Mr. Lloyd: That has to be compared with the fact that during the same two-year period over 100 children lost their lives precisely because they were not restrained.

I appeal to the hon. Member for Keighley to withdraw this amendment and allow this matter to be properly debated by the public and in Parliament when the regulations are in draft form. We shall then know what we ought to do to ensure that there is a safe means of restraint for children up to three years of age.

1.30 pm

Mrs. Teresa Gorman (Billericay): My inclination is to support the amendment moved by my hon. Friend the Member for Keighley (Mr. Waller), but I am a little confused about how the mother holding a baby in the back of a car is affected by these proposals. Legislation often goes through the House without hon. Members envisaging what happens in real life.

Imagine me, driving my car and seeing a friend with her baby. I stop, offer her a lift and she gets into the back of my car with her young baby, which she is holding in her arms. Naturally, she would fold up the carry-cot and put it in beside her. My car is fitted with seat belts, so what does my friend do? Does she wear the belt and strap it round herself and the child? Is she required under the law to sit the child next to her and strap it in?

I am confused and should like my hon. Friend the Member for Cheadle (Mr. Day) to make the matter clear. I could put my friend in the position, as my hon. and learned Friend the Member for Burton (Mr. Lawrence) has pointed out, of committing an offence through a third party if I do not say, "If you get into my car, you must hold your baby in such a way that the seat belt stretches over you and the baby and holds you all back in the seat." The position is confusing. When we stop to give people lifts, we do not always think about exactly what is the law.

Mr. Peter Bottomley: My hon. Friend makes a serious point. Because we want to consult family organisations and perhaps parent-teacher associations, to ensure that clear advice is given and that the regulations which define the law are right, we are asking my hon. Friend the Member for Keighley (Mr. Waller) to withdraw the amendment rather than push it to a vote.

May I say in response to some of my hon. Friend's points, which people outside are raising, that one should never put a baby on one's lap in a car, because if there is a sudden deceleration, such as in a crash, that baby

[Mr. Peter Bottomley]

becomes one's cushion, and babies are very bad cushions. "Never put a baby inside the seat belt with you because the baby will suffer far more than you." I am grateful to my hon. Friend for making it possible for me to offer that advice to the outside world. The details of the regulations will depend on discussions and consultation, and my hon. Friend is right to make that point.

Mrs. Gorman: I thank my hon. Friend for making that point, but what am I to do? Let us say that I am with a tiny baby. I get into the car with it and my instinct is to hold it in my arms. It is a small baby and it wriggles about a lot —it does not know that when it is put down on its own it is supposed to stay there, and it is likely to flop on to the floor. I may be distracted if the car brakes suddenly. Is my hon. Friend the Minister telling us that I have to put my very small baby on the seat beside me, possibly strap myself in and then find that the seat belt cannot stretch across my baby so the baby lies on the seat beside me? Am I supposed to sit in such a way that I keep both my hands on the baby on that seat? This is a practical problem.

I may have two small children. My instinct is to strap in the child who sits up and to hold the other. To say that I should not hold it practically goes against human nature. Of course I shall hold the baby. I shall not stop to think what the law is and what priciples I must obey. These are the kind of practical difficulties faced in real life. It is important that we envisage these circumstances.

Ms. Richardson: The scenario that the hon. Lady describes is very telling. The Minister said that one should never hold a baby on one's lap. The hon. Lady has asked what one does with the baby and with one's self. Suppose the baby is sick, needs a cuddle or is frightened. The instinct of the woman in the back is to take the baby on her lap. Is the Minister saying that the driver should stop the car and say, "I cannot carry you"? I understand the Minister's point about the danger of the child becoming a cushion for the adult, but in some cases mothers will take a child on to their lap without thinking about it.

Mr. Peter Bottomley: The House may wish to consider one or two more amendments and to give the Bill its Third Reading if possible. In the hope of being helpful, may I explain. Parents ought to have a better chance of seeing the PACTS video or the "That's Life" material, which shows what happens when one carries a baby on one's lap. I am not saying that parents should never carry their baby on their laps, but no parent would do so regularly having seen videos of what happens, even in low-speed crashes.

It is also worth emphasising that the Bill is likely to cover the 80 per cent. of children who mainly travel in their family's car. There are other vehicles and other circumstances, but most children are exposed to risk most often in their own family's car, and if restraints are fitted they should be used. In those circumstances, any parents who have spent £20, £40 or £140 on a radio cassette and have failed to spend £20 or £40 on appropriate restraints for their children are betraying their children.

Mrs. Gorman: The Minister has still not dealt with my point, which is about what happens in real life. Will a mother carrying two children in the circumstances that I described be made technically guilty of an offence? Will the driver who gave the lift be taken to court or will it be the mother, who did not make use of the seat belt in the back seat for her child. Who the dickens will it be? Do we really want parents to be brought to court and fined in those circumstances? We are on the road to Cleveland; we are encouraging people to intervene in family matters who should not be involved at all.

Mr. Day: My hon. Friend the Member for Billericay (Mrs. Gorman) overlooks the point that that moral dilemma already exists. My Bill does not create the difficulties. If the restraints are there, the problem already arises. My Bill does not affect it in any way and I do not understand why she thinks that it does.

Secondly, the Minister has made it clear that the very point that she raises—I agree that it is a point of considerable concern—will be considered in introducing the regulations. That is why the Bill is drafted as it is.

Mrs. Gorman: I have made it clear that the exemption of children under three is a move in the right direction, because it allows a mother faced with that difficulty legally to hold her child. That is her natural instinct. I have taken on board the Minister's point that that is dangerous, but it happens in real life and I do not want it to be made into an offence under the Bill if it ever reaches the statute book.

Mr. Waller: I do not want to be deliberately obstructive. We have had a good discussion about the problem, and I accept that three years is not necessarily the right age. I am not entirely satisfied with the responses I have received but in the interests of making progress and to provide an opportunity to discuss matters that are still important, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Waller: I beg to move amendment No. 17, in page 1, line 27 at end insert—

'(3A) Regulations under this section shall include an exemption for any child holding a valid certificate signed by a medical practitioner to the effect that it is inadvisable on medical grounds for him to wear a seat belt.

(3B) If the driver of a motor vehicle is informed by a constable that he may be prosecuted for an offence under subsection (2) above, he shall not, in proceedings for that offence, be entitled to rely on an exception afforded to a child by a certificate referred to in subsection (3A) above unless—

(a) it is produced to the constable at the time he is so informed; or

(b) within seven days after the date on which he is so informed, it is produced at such police station as he may have specified to the constable; or

(c) it is produced there as soon as is reasonably practicable; or

(d) it is not reasonably practicable for it to be produced there before the day on which the proceedings are commenced;

and for the purposes of this subsection the laying of the information or, in Scotland, the service of the complaint on the accused shall be treated as the commencement of the proceedings.'.

The Bill as originally presented to the House was seriously defective in that it made no provision for exemption certificates for children who, for medical reasons—physical or psychological—would have difficulty in wearing a seat belt.

The earlier provision preventing children from being carried unbelted in the front of a car, needed another provision about exemption certificates, because it was still possible for children to be carried in the rear of a car. If we passed the Bill without provision for exemption certificates, some children could not be carried in a car at all. Therefore, my amendment provides for exemptions

from the wearing of seat belts for children if they hold a valid certificate that has been signed by a medical practitioner.

There has been discussion about the cost of such certificates. Previous legislation provided that in certain circumstances a Minister may stipulate the cost of such a certificate. I suspect that the feeling now is that such a provision is not necessary. However, I am a little concerned about the sorts of figures that are mentioned. I heard yesterday of a medical practitioner charging £18 for writing a certificate to the effect that an adult had a medical difficulty which meant that that person should not be required to wear a seat belt. I can envisage that in certain circumstances, perhaps for a mother on a low income with several children, the cost could cause great difficulties if there were no provision for stipulating the maximum fee. Sometimes medical practitioners ask what may appear to be quite large sums for writing a simple certificate.

It is important that medical practitioners are given some indication of the circumstances in which children should be granted a certificate. Is the fact that a child throws a tantrum every time he is put into the back of a car and strapped in, perhaps thus causing more danger to the occupants of the car, sufficient reason for a medical practitioner to write a certificate? It is important that the circumstances are set out. It might be a good idea if a statement incorporating such provisions were placed before the House. However, one way or another, it is important that the circumstances should be fully set out.

More consideration should be given to the kind of psychological problems which might lead children to be entitled to an exemption certificate. I am persuaded that there are relatively few physical problems that would require an adult or a child to be granted an exemption. Experience since the wearing of front seat belts was made compulsory suggests that there are relatively few circumstances in which a physical deformity or physical problem makes an exemption certificate necessary or desirable. However, there are psychological problems and such problems probably arise more in relation to the rears of cars than to the fronts, because some cars have constricted rear areas. Some children who are belted in might feel uncomfortable. From my discussions with parents, I know that that is the case and that parents are concerned about it. I am confident that my hon. Friend the Minister will give the matter his careful consideration.

I am glad that the amendment that I tabled originally has been corrected and that the new amendment takes into account the amendment made in section 1(2) of the Road Traffic (Production of Documents) Act 1985, which amended section 33A of Road Traffic Act 1972 by changing from five to seven the number of days allowed for the presentation of a certificate at a police station. That seems a reasonable alteration. It also added new paragraphs (c) and (d) to subsection (3B), effectively saying to drivers that a certificate need not be produced if it is impracticable to do so.

There may be greater difficulties about the presentation of a child's certificate. Drivers would probably carry their certificate with the other driving documents. I am glad that the extra provision is incorporated in the Bill and that the amendment appears to be acceptable. I commend it to the House.

1.45 pm

Mr. Day: My hon. Friend the Member for Keighley (Mr. Waller) is to be congratulated on the conduct of his arguments throughout this and earlier stages of the Bill, and especially on this matter. The Bill is currently modelled on section 33B of the Road Traffic Act 1972 which does not provide for the arrangements that he has described. I am certainly willing to accept the amendment and I trust that my hon. Friend the Minister will do likewise. In view of the time, I hope that hon. Members will then allow us to move on.

Mr. Peter Bottomley: I welcome the amendment. My hon. Friend the Member for Keighley (Mr. Waller) has picked up the distinction between the need for exemption certificates for rear seat travel and the absence of such a requirement for front seat travel. The promoter has rightly congratulated him on spotting that. I might briefly point out to those reporting our proceedings that to describe the Bill as having a rough passage would be an exaggeration as some of the amendments have been both sensible and acceptable. I trust that there will be an opportunity briefly to recognise that the efforts of all concerned have led to improvements in the Bill and I hope that it will make further progress today.

Amendment agreed to.

Amendment made: No. 18, in page 2, line 3, at end insert—

'(2A) In section 199 of the 1972 Act (exercise of regulation-making powers and Parliamentary control)—

(a) In subsection (3) after "33A" there shall be inserted ", 33C"; and

(b) In subsection (4) for the words "or 33A" there shall be substituted the words ", 33A or 33C".'.—*[Mr. Day.]*

Mrs. Gorman: I beg to move amendment No. 7, in page 2, line 6, column 3, leave out '2' and insert '1'.

The Bill provides for penalties to be inflicted on parents or other drivers who fail to ensure the use of restraints in the rear seats. The penalty is at level 2 of the standard scale, which is a fine of £100. In my view it is bad enough for parents to have to go through the trauma of being taken to court for what I regard as a very trivial matter, but it is even worse to fine them £100.

In real life, children may be naughty. They may undo their belts. Other people's chidren may be difficult to control. There may be a number of children in the car. We have been through all the factors which make a nonsense of the Bill, but as the purpose of my hon. Friend the Member for Cheadle (Mr. Day) is to get the Bill into law we must consider the level of fine.

I do not wish to delay the proceedings today, so I ask my hon. Friend for an assurance that he agrees that the level of penalties is inappropriate for an offence under this measure. No normal person would agree that parents should be punished to such an extent for such an offence. It is reasonable to caution them, to issue a warning and to explain the necessity for doing as the law requires, but the fine envisaged is entirely inappropriate. In my view, even £50 would be pretty hefty and I should prefer there to be no financial penalty. I hope that my hon. Friend will give an assurance that he will reconsider the matter and definitely drop the idea of level 2 penalties.

Mr. Day *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Has the hon. Lady finished? If so, I shall put the Question.

Mrs. Gorman: No, I am just giving way.

Mr. Day: I am willing to accept the amendment and gain some progress for the Bill. It is not a draconian measure; it is meant to encourage people. I am not seeking to make people penniless. So I accept the amendment and any assurance that the Minister gives.

Mrs. Gorman: After that assurance, I shall withdraw the amendment——

Mr. Peter Bottomley: May I intervene?

Mr. Deputy Speaker: Order. We cannot do it that way. I must put the Question. The Question is——

Mr. Bottomley: On a point of order, Mr. Deputy Speaker. I think that my hon. Friend the Member for Billericay (Mrs. Gorman) was allowing me to intervene in her speech.

Mrs. Gorman *indicated assent.*

Mr. Deputy Speaker: Order. I am sorry, but I do not want the House to be confused. The hon. Member for Billericay (Mrs. Gorman) was moving the amendment and I am not clear whether she has completed her speech.

Mrs. Gorman: No.

Mr. Deputy Speaker: I beg the hon. Lady's pardon.

Mrs. Gorman: I give way to the Minister.

Mr. Bottomley: I am grateful to my hon. Friend for giving way. I suggest that it would be helpful if she did not withdraw her amendment. Then I could make a brief speech and the House could decide what to do.

Mrs. Gorman: I accept my hon. Friend's advice.

Mr. Deputy Speaker: The Question is, That the amendment be made.

Mr. Peter Bottomley: My hon. Friend the Member for Cheadle (Mr. Day), who is promoting the Bill, has said that he is willing to accept the amendment. The Government are not keen on it but are willing to accept it in the House, and, if we feel strongly about it, come back in another place. I emphasise that I am not trying to say that we shall hijack the amendment because there will not be so much pressure on time. The Government would want to consider the issue again.

The aim of the supporters of the Bill is not to throw major financial penalties at parents. It is for more parents to use the restraints that they have. That is what the law will be. Outside the law, the aim is for more parents to fit and use restraints. Any parent who decided not to put his child in a restraint, with the prospect of a £15 fine with a maximum of £100 on level 2 or £10 with a maximum of £50 on level 1 would be playing cash roulette with his child's life. I hope that even if the House accepts the level 1 penalty today, the message will go out that the reason for restraining one's child is not to save money, but to save the child.

Mr. Waller: I concede that my hon. Friend might be in a slight difficulty in that it seems that, if we have a level 1 penalty for this offence and a level 2 penalty for not wearing a seat belt in the front of the car, we are giving less priority to the former. However, we should also take into account the fact that we are trying to encourage parents to do the right thing. There are difficulties with the enforcement of this legislation, which we do not face with legislation that is already on the statute book. Therefore, I urge my hon. Friend carefully to consider keeping the amendment in the Bill.

Mr. Bottomley: I suggest that the House incorporates the amendment in the Bill now. We shall consider it seriously. We should not anticipate any future consideration.

Amendment agreed to.

Order for Third Reading read.

1.53 pm

Mr. Day: I beg to move, That the Bill be now read the Third time.

The Bill has had a wide and detailed airing through all its stages. I hope that hon. Members will now allow it to proceed to the other place. If anyone has any further comments, I hope that they will be brief.

We have had an interesting and full debate today. I have already thanked my hon. Friend the Member for Keighley (Mr. Waller) for his contributions to the debate. I also thank the Minister for his help so far. I hope that we can now proceed to give the Bill its Third Reading.

I am absolutely convinced that the vast majority of people believe that the Bill is good and will save lives. It is not in any way intended to be draconian or to intimidate; it is meant to be an encouragement. My acceptance of amendment No. 7 on Report is a sign of my stand on that. People accept the logic behind the Bill, so it will be self-enforcing. The Minister has assured us that there will be widespread consultation and I know that he will return with regulations. I am pleased that we could agree that they would come under the affirmative rather than the negative resolution procedure and I thank the hon. Member for Bradford, South (Mr. Cryer) for raising that issue.

If we pass this legislation many people will be pleased in this place and outside. I hope that the House will feel able to support it on its, I hope brief, Third Reading.

Mr. Forth: I wish to make it clear that I do not support the legislation but that I do not intend to foil it by procedural means. If we vote on Third Reading, I shall be happy because it will enable me to express my view correctly. I do not wish to detain the House unnecessarily or to frustrate the Bill by any false means, but I wish to make a brief speech about my responses to it. Hon. Members may be puzzled that, despite the great support for it of which we are asssured, some hon. Members may be sufficiently eccentric to oppose it.

I came to the House believing, as I still do, that we legislate excessively in too many areas of human behaviour. My main objective is to restrain this propensity to legislate. I am not persuaded that if something is deemed to be good for many people we must necessarily devise a way to force behaviour in that direction. For that reason I am unhappy about a wide range of legislation from this House and even from my Government. Anyone who starts from that position takes much persuading that it is right to intervene, even in a case such as this.

I am not even persuaded when I am told that 90 per cent. of people, when asked, think that this legislation is a

good idea. If we ask people on the street whether they think that hanging or capital punishment is a good idea, 80 per cent. will say "Yes". I doubt whether all hon. Members who pray that sort of evidence in aid would want to follow their logic through and legislate every time something is supported by an opinion poll. A moment's thought will make hon. Members realise that that is not a legitimate basis on which to judge legislation or to intervene.

Mr. Sheerman: The hon. Gentleman makes a good point, but not only do the vast majority of people outside want the legislation, so do the vast majority of hon. Members. That is the difference.

Mr. Forth: I understand the hon. Gentleman's point, but he will recall that earlier today, when we had a closure motion, only 107 hon. Members voted in favour and four against. In other words, only 111 Members of Parliament out of 650 were sufficiently persuaded of the virtue of the legislation to be present. That is not an overwhelming display of support.

Mr. Sheerman: Today is Friday.

Mr. Forth: Friday is a parliamentary sitting day like any other. It has no lesser status than any other day. It is unacceptable for Members of Parliament to say to constituents, "I am sorry that you were not represented on Friday, but I had something else to do." This Bill, known to be a private Member's Bill, is as entitled as any other Bill to the vocal and physical support of Members of Parliament if they are to claim that it has widespread support. Let us lay that to rest and deal with the Bill strictly on its merits.

I think that my hon. Friend the Minister and my hon. Friend the Member for Cheadle (Mr. Day) have conceded that it has been shown that parts of the legislation raise question marks and doubts. Equally, they have been fair in accepting amendments, not least so that we can make progress and pass the legislation in one form or another. I repeat, I do not intend to frustrate it. They must concede that much work needs to be done and that many issues must be considered.

My hon. Friend the Minister has assured us that he will consult interested parties widely to establish whether the legislation can be made to work in an acceptable and reasonable manner. Knowing the Minister as I do, I am sure that he will do exactly that and embark positively on procedures to bring about what he said would be the benefits of this law in a reasonable and workable way and to achieve a balance between what is practical and what is not.

If the opportunity for a vote arises, I will vote against the Bill because I am not persuaded that it is right for the House to devise ever-increasing measures to dictate human behaviour. I believe—regrettably, fewer hon. Members seem to believe this—in the concept of parental responsibility. My Government talk constantly about Victorian values—whatever they were—the family and parental responsibilities. Opposition Members talk about the family and the role of parents. Why, if we respect the role of parents and the family relationship so much, do we still see fit to legislate to tell people what their responsibilities are and fine them if they do not exercise them? That is an odd way to square the concepts of the family and responsibility on the one hand with the role of the law on the other.

I retain, even after a few years in the House—it is more difficult after a few years in the European Parliament—the naive belief that people know best and should be left to make their own judgments. I retain even more strongly the belief that no hon. Member has a superiority or monopoly of knowledge. I am suspicious of the repeated attempts in the House to devise ways of telling everybody how to live their lives. For those reasons, I will oppose the Bill.

2.2 pm

Mr. Waller: My view reflects that expressed by my hon. Friend the Member for Mid-Worcestershire (Mr. Forth).

I hope that the House will have an opportunity to vote on Third Reading and give its view on it. I do not wish to frustrate the House's will that there should be a vote. I fully recognise that hon. Members would like a decision to be made.

There are aspects of the Bill about which I remain profoundly unhappy. This is not a sector where criminal sanctions should be used to persuade people of their responsibilities. The question of what is a reasonable excuse is a tricky one and we have tended to skirt round it. It is one to which we shall have to pay careful attention in the future.

I am anxious that the statement made by my right hon. and learned Friend the Chancellor of the Duchy of Lancaster, which I took to be a commitment, has been cast to one side. He said that he could not conceive of any Government moving to the position of introducing compulsory wearing of seat belts where there is not compulsory fitting.

I hope that when he is considering the regulations the Minister will take account of his predecessor's important words and look at the context in which those unequivocal words were made. That shows the danger of saying one thing and leading the House to approve regulations that might be different to those that were imagined when the primary legislation was introduced.

My hon. Friend the Member for Cheadle (Mr. Day) will deserve the congratulations of the House if his Bill receives its Third Reading today. I will do everything that I can to ensure that it works and saves lives.

2.4 pm

Mrs. Gorman: I oppose the Bill in principle and practice. I oppose it in principle because I believe that far too much legislation from the House interferes with personal responsibility. As my hon. Friends have already said, there is a strong case for leaving parents to make decisions for themselves on how to raise, transport and generally take care of their children.

Much evidence is building up to show that if, through legislation, we take away the individual's responsibility to make decisions, there is a tendency for people to behave more irresponsibly. Evidence exists, especially with regard to accidents, to support that. Indeed, my hon. Friend the Member for Keighley (Mr. Waller) referred earlier to such evidence and to the research work carried out by Dr. John Adams from London university.

If we introduce such legislation, we tell people that there is a law and the people do not need to worry any more because the Government have taken on the responsibility. That does not apply only to this Bill. I have referred to Cleveland where parents were brought to court for apparent breaches of their duties. We gave powers to

[Mrs. Gorman]

the legislature and to bureaucrats to intervene in family matters. That has led to an awful disaster for those parents in Cleveland.

When I mentioned Cleveland the hon. Member for Birmingham, Ladywood (Ms. Short) blanched and appeared to want to intervene. We gave powers to authorities and that led to a situation in which innocent parents have been dragged into court and subjected to awful experiences with regard to their family matters. The House is largely responsible for that for our over-zealousness in trying to protect people from their own folly.

Ms. Short: I understand the hon. Lady's point. However, she must also understand that we have a problem, that we did not all understand until fairly recently, of serious sexual abuse of children, and we must try to intervene to protect children while having respect for the integrity of the family. Surely the hon. Lady accepts that. Does she accept that there should be intervention in those dreadful cases?

Mrs. Gorman: I entirely accept the hon. Lady's intervention. No one, except those engaged in such horrible practices, would approve of the kind of abuse that occurred in the Cleveland cases. However, there is evidence to suggest that when we give powers to authorities to intervene, those powers—with the best will in the world—cause intervention in family life and create great distress. I do not know whether granting those powers reduces the amount of child abuse. I wish that it did. That might be a reason for granting those powers. However, there is no evidence to support that wish.

More cases may be coming to light and I would support any measures through the voluntary associations to take a greater interest——

Mr. Deputy Speaker: Order. The hon. Lady is being led astray. She must confine herself to the Bill.

Mrs. Gorman: I accept your guidance, Mr. Deputy Speaker.

I will return to the specific issues in the Bill and explain why I find it objectionable. I have dealt with personal responsibility, but there is also a question of civil liberties.

Mrs. Wise: Has the hon. Lady considered the necessity and desirability of intervening in the case of babies, where parents have no excuse for not restraining them? Great problems could also arise with older children who might be defiant and deliberately cause trouble, and even create danger in the car by their unruly behaviour. Has the hon. Lady considered the differences in children of different ages?

Mrs. Gorman: I dealt with that point at some length when I made my earlier intervention. I am entirely in favour of persuading people to observe better standards of conduct. The Church, as well as the House, is involved in such activities, but there is a difference between persuading people to behave more sensibly in respect of their children and introducing an element of compulsion—of bringing innocent parents into court to be fined. It worries me that the Minister appears to be in favour of heavy rather than light fines for parents who are nursing babies.

Mr. Peter Bottomley *indicated dissent.*

Mrs. Gorman: My hon. Friend the Minister is shaking his head, so perhaps I am wrong.

After we have passed legislation such as this, the House tends to think, "That's that. That law is on the statute book and everybody will behave better now." However, there have been numerous studies—many of them sponsored by the Department of Transport—indicating that there is a perverse effect arising out of road safety legislation. That is shown to be particularly so in studies which have examined the relationship between accidents and pedestrians and cyclists. The fact that cars are much safer than they were and that there are many more zebra crossings are among the factors taken into consideration.

Those studies suggest that the number of accidents involving pedestrians and cyclists is not falling as quickly as it should, because although the car driver may feel safer, he probably takes more risks. As a result, more pedestrians and cyclists are injured.

Mr. Peter Bottomley *indicated dissent.*

Mrs. Gorman: My hon. Friend the Minister again shakes his head, but I have taken the trouble to read those reports. I referred earlier to one of them in particular, by Durbin and Harvey, which was sponsored by the Department of Transport. It alleges—and my hon. Friend will correct me if I am wrong—that the increase in the number of accidents involving pedestrians is 13 per cent. higher than the expected figure. It is 40 per cent. higher in the case of cyclists. Against that, the number of accidents involving drivers of heavy goods vehicles and of buses—we have heard a lot today about Ministers falling under buses—has declined.

There is a perfectly logical reason for that trend, if one takes human nature into account. The driver or passenger wearing a safety belt—whether in the front or back of the car—tends to be over-confident about his safety and is less attentive to what is happening on the road, particularly if he has a car full of people who are all wearing safety belts.

The car may be travelling along the motorway and all those inside it may be playing an "I spy" game. Indeed, there are activity books for children on car journeys which include "I spy" games. The driver's attention may be distracted as he looks out of the window to see something beginning with the letter S. Without realising it, he is endangering others, whether they are the passengers of the car in front or pedestrians. The vehicle ahead may get bashed from behind because of a driver's lack of attention.

There is a strong case to be made against seat belts in general, not just back seat belts, but people do not want to go back and re-examine legislation in that way. In the United States, there has been a good deal of examination of the effect of seat belts on accident levels. Crash helmets have also been investigated, but as we are not dealing with crash helmets today, I shall not say much about them.

When the perception of danger is lowered, other people may suffer as a result. That is the dilemma of all who seek to promote the betterment of behaviour through some form of legislation. There is strong evidence to suggest that there should be fewer regulations from the House so that individuals adopt a more responsible stance.

In his book "Risk and Freedom", John Adams says that, with a view to legislation reaching the House at some stage in the future, he has undertaken a study of parents who frequently transport their children in the back of the car. They said that they felt that they would drive much

more carefully—as if they were carrying eggs—if the children were not constrained by seat belts. We are likely to put on the statute book legislation that will withdraw that element of responsibility. Although my hon. Friend the Minister says that he wishes to save 60 lives, he has not given enough consideration—and we are in danger of doing the same—to how many children outside the car, on the street, may have accidents because of the Bill. For that reason, I shall not support the Bill.

2.16 pm

Mr. Tony Lloyd: I shall comment briefly on the remarks of the hon. Member for Billericay (Mrs. Gorman) and those of her fellow Right-wing libertarians. While the issue of risk compensation was dealt with adequately on Second Reading—the hon. Lady may wish to look at the record—if she is seriously concerned about risks to non-motor car users she should press the Government, who I hope would be prepared to accept the suggestion, to increase measures that improve pedestrian safety and lessen the risk of accidents of all kinds, rather than blocking a measure that will of itself save lives.

I congratulate the hon. Member for Cheadle (Mr. Day) on piloting the Bill through. I also say, in fairness, that while the hon. Member for Keighley (Mr. Waller) on occasion entered into a form of debate with me—although not always to the edification of either of us—he has, in the final analysis, played a reasonably responsible role. Certainly, his amendment has assisted the Bill. I welcome the Bill's Third Reading.

2.18 pm

Mr. Peter Bottomley: Like the official Opposition, I congratulate my hon. Friend the Member for Cheadle (Mr. Day) on what he has achieved. I also acknowledge the help of the Parliamentary Advisory Council for Transport Safety and its advisers.

More than 600 children are killed and over 7,000 injured each year while travelling unrestrained in the backs of cars. There is increasing awareness of the value of wearing seat belts in the rear of cars as well as in the front. Since the Bill was first debated in the House at the beginning of February, sales of seat belts and child restraints have soared. One leading manufacturer reports sales up by over 40 per cent. That demonstrates the parental support for what the Bill aims to do.

The "That's Life" campaign in 1986 led the way by highlighting just how vulnerable our children are when travelling unrestrained. It is irresponsible of us as drivers to expose them to an unnecessary level of risk. More and more people are having rear restraints fitted to older cars, and all new cars must now have them fitted, anyway. The Bill proposes that where such restraints exist they should, where practicable, be used by child passengers.

There are many issues still to be resolved in deciding how the law should apply in practice. The enabling regulations, which will require the approval of both Houses of Parliament, will need to accommodate a wide range of circumstances—the large family, the school run and so on. The Bill requires only that restraints that are fitted should be used and not that all children in the rear of cars be restrained. A large group would not be prohibited from travelling together.

When drafting the regulations and considering the timing of their introduction, we shall, as the law requires, consult widely. In particular we shall need to discuss with the police, who wholeheartedly support the Bill in principle, with family organisations and other interests, including taxi interests, the enforcement implications. We shall proceed step by step.

The powers that the Bill seeks to introduce are the same as those we already have in respect of adults travelling in the rear of cars. We have not used those powers and we have no plans to do so. I believe that timing is crucial if we are to achieve a high level of compliance. One of the reasons why Britain has the highest front seat belt wearing rate in the world is that the law was in tune with the climate of opinion that existed at that time. For the time being, we want to continue to do everything possible to encourage the voluntary use of rear restraints by adults.

My hon. Friend the Member for Keighley (Mr. Waller) raised the issue of the comments of my right hon. and learned Friend the Member for Ruschcliffe (Mr. Clarke). What we are proposing is less than that envisaged by my right hon. and learned Friend. If we began to say that all cars must have rear seat belts fitted, we would be going as far as my right hon. and learned Friend was suggesting. We are going less far. We could be criticised for that, but not in the way offered by my hon. Friend the Member for Keighley.

There is growing body of public opinion that we should move towards the obligatory use of rear restraints for children. The Bill reflects that shift. No responsible parent would want to wait for the law before fitting and using child restraints.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 90, Noes 6.

Division No. 305] **[2.22 pm**

AYES

Alison, Rt Hon Michael	Finsberg, Sir Geoffrey
Allen, Graham	Forsythe, Clifford *(Antrim S)*
Alton, David	Fyfe, Maria
Amess, David	Garel-Jones, Tristan
Arnold, Jacques *(Gravesham)*	Gordon, Mildred
Atkinson, David	Gould, Bryan
Banks, Tony *(Newham NW)*	Hampson, Dr Keith
Barnes, Harry *(Derbyshire NE)*	Hargreaves, Ken *(Hyndburn)*
Barron, Kevin	Hayes, Jerry
Beckett, Margaret	Haynes, Frank
Beggs, Roy	Henderson, Doug
Bendall, Vivian	Hood, Jimmy
Benn, Rt Hon Tony	Hughes, Simon *(Southwark)*
Bottomley, Peter	Kaufman, Rt Hon Gerald
Bowis, John	Kennedy, Charles
Bradley, Keith	Knapman, Roger
Braine, Rt Hon Sir Bernard	Knowles, Michael
Caborn, Richard	Knox, David
Campbell, Menzies *(Fife NE)*	Lamond, James
Carlisle, John, *(Luton N)*	Latham, Michael
Carrington, Matthew	Lightbown, David
Clwyd, Mrs Ann	Lloyd, Peter *(Fareham)*
Cohen, Harry	Lloyd, Tony *(Stretford)*
Corbyn, Jeremy	MacKay, Andrew *(E Berkshire)*
Couchman, James	McNamara, Kevin
Cryer, Bob	Madden, Max
Darling, Alistair	Marek, Dr John
Day, Stephen	Marshall, John *(Hendon S)*
Devlin, Tim	Meale, Alan
Doran, Frank	Michie, Bill *(Sheffield Heeley)*
Dover, Den	Moate, Roger
Dunwoody, Hon Mrs Gwyneth	Montgomery, Sir Fergus
Durant, Tony	Newton, Rt Hon Tony
Ewing, Mrs Margaret *(Moray)*	Pendry, Tom
Fearn, Ronald	Pike, Peter L.
Field, Frank *(Birkenhead)*	Rhodes James, Robert

Richardson, Jo
Ruddock, Joan
Shaw, David *(Dover)*
Shersby, Michael
Short, Clare
Skinner, Dennis
Smith, C. *(Isl'ton & F'bury)*
Stern, Michael
Strang, Gavin
Thorne, Neil
Waddington, Rt Hon David
Walker, A. Cecil *(Belfast N)*
Wall, Pat
Walley, Joan
Welsh, Andrew *(Angus E)*
Wigley, Dafydd
Wise, Mrs Audrey
Wray, Jimmy

Tellers for the Ayes:
Mr. Barry Sheerman and
Mr. James Cran.

NOES

Jones, Gwilym *(Cardiff N)*
Kilfedder, James
Miller, Hal
Townsend, Cyril D. *(B'heath)*
Waller, Gary
Widdecombe, Ann

Tellers for the Noes:
Mr. Eric Forth and
Mrs. Teresa Gorman.

Question accordingly agreed to.
Bill read the Third time, and passed.

ENVIRONMENT AND SAFETY INFORMATION BILL

As amended (in the Standing Committee), considered; reported, with amendments; read the Third time, and passed.

Abortion (Amendment) Bill

Order read for resuming adjourned debate on consideration.

Hon. Members: Object
Debate to be resumed on Monday 16 May.

Mr. David Alton (Liverpool, Mossley Hill): On a point of order, Mr. Deputy Speaker. Following the reply by the Leader of the House during yesterday's business questions, and given that the Abortion Act 1967 was enacted at the seventh attempt only when the Government of the day gave time to enable it to make progress, I wonder whether the right hon. Gentleman, through you, Sir, can tell the House whether he has been able to consider further the early-day motion which has been signed by 113 hon. Members and the representations which he has received from thousands of people that time should be provided to decide this important matter, which is the concern of millions of people.

Mr. Max Madden (Bradford, West): On a point of order, Mr. Deputy Speaker. If it is unparliamentary and out of order for an hon. Member to accuse another hon. Member of being a liar or a hypocrite, surely it is unparliamentary and out of order for an hon. Member to accuse another hon. Member of being in support of the murdering of babies. That charge was made earlier today by the hon. Member for Rochdale (Mr. Smith), who accused those who had taken part in the debate on new clause 1 and the——

Mr. Deputy Speaker (Sir Paul Dean): Order. The hon. Member is going back to something that apparently took place much earlier in the day. We cannot return to that point at the present time.

Mr. Madden: Further to the point of order, Mr. Deputy Speaker. If the *Hansard* report bears out the fact that the hon. Member for Rochdale accused hon. Members who had participated in the debate on new clause 1 of being in support of the murdering of babies, will you ask Mr. Speaker to request the hon. Member for Rochdale to withdraw what many of us who took part in that debate regard as a grossly offensive and unparliamentary remark? Will you ask Mr. Speaker to ask the hon. Member for Rochdale to withdraw that remark, which was made specifically against a group of hon. Members who had taken part in the debate? I have reason to believe that the occupant of the Chair at that time did not hear the remark. I ask you, Sir, to look at the *Hansard* record. If the allegation is reported there, will you ask Mr. Speaker on Monday to ask the hon. Member for Rochdale to withdraw the remark? The hon. Gentleman has left the Chamber and I have reason to believe that he is prepared to withdraw it if requested.

Mr. Deputy Speaker: We shall all be able to check the *Hansard* report. I shall of course draw the hon. Member's comments to the attention of Mr. Speaker.

Sir Bernard Braine (Castle Point): On a point of order, Mr. Speaker. Before the hon. Member for Bradford, West (Mr. Madden) raised his point of order, the hon. Member for Liverpool, Mossley Hill (Mr. Alton) addressed a question through you to my right hon. Friend the Leader of the House, who made no immediate response. That may well have been because the hon. Member for Bradford,

West wished, quite properly, to raise a point of order. We have had no answer from my right hon. Friend the Leader of the House.

Last Friday, and again in a sense today—I make no comment on today's debate—we have seen a determined attempt by a minority to frustrate the progress of a Bill which had a substantial majority on Second Reading, passed through the Committee stage and completed its Report stage, save for the votes at the end. May I ask the Leader of the House, through you, Sir, whether he will comment on the way in which private Members' rights are being abused and the will of the majority is being made a mockery? Will he do something about it?

The Lord President of the Council and Leader of the House of Commons (Mr. John Wakeham): Further to the point of order, Mr. Deputy Speaker. I should like to reconfirm that it is not the Government's practice to grant time for any individual private Member's Bill, however important the issues with which it deals. As I said yesterday, we believe that it would be a very grave step to intervene in the process of private Members' Bills. However, my right hon. Friend the Member for Castle Point (Sir B. Braine) and the hon. Member for Liverpool, Mossley Hill (Mr. Alton), the promoter of the Bill, have asked me to consider other ways in which hon. Members could consider the matter. I understand their point and will of course bear it in mind. As the Leader of the House, I am always happy to see them, or any other hon. Member, to discuss the matter.

Mr. Bob Cryer (Bradford, South): Further to the point of order, Mr. Deputy Speaker. You have been in the Chair for much of today. To prevent repetition in answering accusations of parliamentary mugging, foul play and cheating, will you confirm that the two Bills debated today have been debated absolutely properly and in full conformity with the Standing Orders and that no hon. Member has been called out of order? As Mr. Speaker has said, any accusation by the media of parliamentary mugging would be exaggerated and very much out of place.

Ms. Clare Short (Birmingham, Ladywood): Further to the point of order Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. Let me deal with the point of order raised by the hon. Member for Bradford, South. It is a simple answer to a simple question: the hon. Gentleman is correct.

Ms. Short: Further to the point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. I must be fair to hon. Members who have other Bills on the Order Paper. I intend to take them now.

Private Members' Bills

MISUSE OF DRUGS BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 8 July.

CERVICAL CANCER (TESTING AND TREATMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 8 July.

POLYURETHANE FOAM (MISCELLANEOUS PROVISIONS) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 8 July.

SCHOOL BUS PASSES (REVISION OF REGULATIONS) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 8 July.

MYALGIC ENCEPHALOMYELITIS BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 8 July.

UNDERGROUND FIRES (RESEARCH AND CONTROL) AND LAND PROTECTION BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 8 July.

Mr. Harry Barnes (Derbyshire, North-East): On a point of order, Mr. Deputy Speaker. Is it in order, given that the last Bill refers specifically to a unit being set up by the Department of the Environment, that objections should come from Conservative Members other than those in the Department of the Environment?

Mr. Deputy Speaker: I realise that the hon. Gentleman is disappointed. However, we have been through this on many occasions at 2.30 on private Members' Fridays and what has occurred has been perfectly in order.

RIGHT TO LIVE BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day?

Mr. Frank Haynes (Ashfield) *rose*——

Mr. Deputy Speaker: Order. Does the hon. Gentleman have the authority of the Member in charge of the Bill to name a day?

Mr. Haynes: Yes, Mr. Deputy Speaker—Friday 15 July.

On a point of order, Mr. Deputy Speaker. I do not think it is fair. This is an important Bill about living. Government Members seem to want people to die——

Mr. Deputy Speaker: Order. The hon. Gentleman has made his point. There is the additional point that we could not have taken this Bill any further because it has not been printed.

LANDLORD AND TENANT BILL *[LORDS]*

Read a Second Time.

Bill committed to a Committee of the Whole House. *—[Mr. Carrington.]*

Bill immediately considered in Committee; reported without amendment.

Motion made, and Question proposed, That the Bill be now read the Third time.

Hon. Members: Object.

To be read the Third time on Friday 20 May.

INDECENT DISPLAYS (NEWSPAPERS) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 8 July.

UNFAIR REPORTING AND RIGHT OF REPLY BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 15 July.

HEALTH AND SAFETY AT WORK (TOBACCO SMOKING) BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

BLACKLISTS (ACCESS TO INFORMATION) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 15 July.

SCOTTISH CONSTITUTION (REFERENDUM) BILL

Order for Second Reading read:

Hon. Members: Object.

Second Reading deferred till Friday 8 July.

SOLICITORS (SCOTLAND) BILL

Read a Second time.

Bill committed to a Committee of the Whole House *—[Mr. Darling.]*

Bill immediately considered in Committee; reported, without amendment.

Motion made and Question proposed, That the Bill be now read the Third time.

Hon. Members: Object.

To be read the Third time on Friday 20 May.

HORSES, PONIES AND DONKEYS (No. 2) BILL

Read a Second time.

Bill committed to a Committee of the Whole House *—[Mr. Amess.]*

Bill immediately considered in Committee; reported, without amendment; read the Third time, and passed.

Mr. Ivor Stanbrook (Orpington): On a point of order, Mr. Deputy Speaker. With regard to the one Bill that has passed all its stages today, and the two Bills that passed all their stages except Third Reading, without any word of explanation or even commendation, and certainly without debate in the House, would it not be advisable if procedures were changed at least to enable the promoters of Bills to explain what we are doing in the space of five minutes to change the laws of this country?

Mr. Deputy Speaker: The hon. Gentleman knows that the Procedure Committee is likely to be set up fairly soon. This is not a matter for the Chair, but he may wish to refer it to the Committee when it is set up.

Ms. Jo Richardson (Barking): On a point of order, Mr. Deputy Speaker. The hon. Member for Liverpool, Mossley Hill (Mr. Alton) named Monday 16 May for further proceedings on his Bill. Can you confirm, Mr. Deputy Speaker, that Monday is not a day for private Members' legislation?

Mr. Deputy Speaker: It will appear on the remaining Orders.

Mr. David Alton (Liverpool, Mossley Hill): Further to that point of order, Mr. Deputy Speaker. I should like to make it absolutely clear to the hon. Lady and to others that we shall be back with the Bill every single day.

Mr. Dennis Skinner (Bolsover): Further to that point of order, Mr. Deputy Speaker. The hon. Member for Liverpool, Mossley Hill (Mr. Alton) has talked outside the House of parliamentary mugging, political trickery and all the rest of it. If any attempt was made to take over another day that was designated for private Members' motions, not private Members' Bills, I think that you would be guilty of that crime, Mr. Deputy Speaker.

Mr. Alton: Further to that point of order, Mr. Deputy Speaker. I thank the hon. Member for Bolsover (Mr. Skinner) for his welcome advice, but I shall not be taking it.

Mr. Deputy Speaker: I think that it would be wise now if the whole House reflected on the matter and if we proceeded to the Adjournment.

Quest for a Test for Cancer

Motion made, and Question proposed, That this House do now adjourn—*[Mr. Lightbown.]*

2.56 pm

Mr. Jerry Hayes (Harlow): Last year, 2,500 women died of cervical cancer. All of us in the Conservative party and, I suspect, the vast majority of Opposition Members, greatly respect the commitment of my right hon. Friend the Minister for Health to the eradication of cervical cancer, and fully accept everything that he, his Department and our hon. Friend the Parliamentary Under-Secretary of State for Health and Social Security are trying to do to introduce a recall system as fast and as effectively as possible.

I am sure that my right hon. Friend will accept that, sad to say, it does not look as if we shall get a full recall service by the end of the year, but we are working towards it. I am sure that he will also accept that one of the problems with the present test is that it is not as accurate as we should like. In fact, it could be up to 20 or 30 per cent. inaccurate. Another difficulty that I am sure my right hon. Friend would accept involves speed. The cytologists can deal with only 25 to 30 slides a day and sometimes it takes up to a month for a women who is very worried about whether she has cancer to hear the result.

The debate about an organisation called Quest for a Test for Cancer, which is battling against the problems that are besetting the country. The trouble is that it is also battling against some civil servants in the Department of Health and Social Security. I have no criticism of my right hon. Friend the Minister for Health and my hon. Friend the Under-Secretary of State or of the respective private offices. From my experience on the Select Committee on Social Services, and through day-to-day correspondence, I have nothing but respect for the professionalism of those in the private offices and the conscientious why in which they respond to our letters.

I should like to tell the House a little about the test that has been discovered. Many in the medical profession would call it a breakthrough. The test, which was pioneered by two well-known and distinguished research doctors at the academic department of obstetrics and gynaecology atthe Middlesex hospital, detects pre-cancer in normal-looking cells with a staining technique which causes the nucleus, or control centre, of pre-cancerous cells to appear darker than those of healthy cells. The difference in staining is measured by an instrument called an integrating microdensitometer which shines a beam of light through the nuclei, scanning them and measuring how much light passes through. This value indicates whether the cells are pre-cancerous and how potentially malignant they are. A computer is used to store and analyse the results.

The test has been described as the major breakthrough of the decade in cancer detection. It is fast, reliable and cost effective, and it is the only routine test which detects potential malignancy in normal-looking cells. It replaces a decision based on human observation with measurements of a highly accurate instrument. The present cervical screening involves clinicians examining smears from normal-looking cells. The automatic staining machine can take 180 slides at one cycle, each taking one and a half minutes. That compares with the conventional cervical screening when a single cytologist can process 25 to 30 a day. Furthermore, of the 187 women who have been screened at a field trial, which has been written up in *The Lancet* and other medical journals, there has been a success and accuracy rate of more than 95 per cent. It goes without saying that the Department was and still is interested in the matter. It made overtures to Dr. Sincock and Mr. Steele who have been pioneering these experiments. I should tell the House of the chronology of events affecting the two doctors.

The DHSS invited Dr. Sincock to apply for funds, and the first discussions were held as long ago as 20 May 1987. It was made clear to the Department that the test had to be put through a final clinical trial before it could be adopted for routine cervical screening. On 17 June 1987 representatives visited the laboratory at the Middlesex hospital to see the test in action. They were highly enthusiastic and encouraged Dr. Sincock to make an application for funds as soon as possible. They promised to process such an application as soon as possible in view of the importance of the work. On 6 July 1987 the DHSS made a further visit to the Middlesex hospital laboratory and brought representatives from a commercial company, the name of which it is not appropriate to mention at this stage. One of them, the research and development manager, explained that his company had ready for production a machine that would quickly and reliably read cervical smear preparations.

In July 1987 a formal application was made to the DHSS procurement directorate. In order to expedite its processing, the DHSS had checked and passed a draft version submitted previously. The decision was promised for 30 November 1987 and I have letters from Ministers confirming that. On 3 August 1987 Dr. Sincock was visited by Dr. Rutovitz of the Medical Research Council unit in Edinburgh. His group had been actively involved in the development of the commercial machine. He confirmed that the machine was nowhere near ready for production and that there were some technical problems. On 9 November 1987 the DHSS visited the Middlesex. Dr. Sincock was informed that the application would have to be amended and that the work was now considered low priority.

Two further amended applications were submitted to the DHSS, one at the end of November and the other at the end of December. On 14 Decemer 1987, the procurement directorate advised that the application was to be considered by a scientific committee that was scheduled to meet on 25 February 1988. On 28 January Dr. Sincock visited Dr. Rutovitz at the Medical Research Council unit in Edinburgh to give a number of lectures about the test and to inspect the commercial machine. He was alarmed by the number of technical problems with the machine and clearly thought at that stage that it was unable to fulfil the promise of automating the reading of cervical smears, despite many years of development.

On 21 April 1988, Quest for a Test for Cancer received an official rejection of its application from the DHSS. Quest for a Test for Cancer and those at the department of academic obstetrics and gynaecology at the Middlesex hospital—those who pioneered the test—have been horrified by that decision. The DHSS has been dragging its feet for a long time. Even today there has been no scientific explanation of why the test was rejected. I hesitate to say, but nevertheless I shall do so, that there was much unpleasantness between officials and Mr. Steele and Dr. Sincock.

[Mr. Jerry Hayes]

On 18 April 1988, Dr. Sincock received a letter from Mr. Kennedy of the supplies technology division about the test. It says:

"I am writing to you following our telephone conversation of 15 April. First, I regret to have to confirm that the expert panel which met on 26 February did not recommend that your project be funded by the NHS Procurement Directorate. Second, I wish to apologise on behalf of DHSS for the excessive and inexcusable delay in letting you have a written statement of the decision of the meeting and for the fact that during our conversation it took me some time to get to the point that the expert panel had effectively turned down your proposal."

At this stage, I should make it clear that all the people who worked to get the project off the ground did everything they could to accede to the requests made by the DHSS and to change specifications. I have been told by those who were involved that they acceded to every request.

We are talking not about an idea but something that has been pioneered, developed, has had clinical trials on 187 women and has proved to have a 95 per cent. success rate. All the funds about which the DHSS initiated the discussions have gone. The chances of getting the test off the ground without £105,000 so that 2,000 or 3,000 women can be tested are remote, unless money is forthcoming from the Department.

A note was sent to Mr. Kennedy by Mr. Steele of the Middlesex hospital in response to the letter of 18 April. He said:

"I do appreciate your apology but find it quite astounding that we were not informed before now particularly in view of the fact that an application for funds was invited by the department and that we have had to revise our proposal several times since that invitation was issued after we visited the department.

As you will know from the papers, we sought a grant in order to validate on a large scale the reliability of this method of screening for cervical neoplasia. Almost daily in clinical practice I meet problems arising from the limitations of cervical cytology and a more reliable method of screening would both save lives and be more cost effective than the present method. I note that you wish to discuss with us the question of commercial exploitation of the assay with the company. As I think Dr. Sincock told you we were not impressed when we met this company last year. They have no particular experience of the type of work which Dr. Sincock is doing and while I am aware that they have been working on the automation of cervical cytology for some years I do not think that this work links in particularly closely with our own nor am I satisfied that they would be the most appropriate people with whom to co-operate. In any case, it seems to us quite illogical to be talking about commercial exploitation before we have a complete appraisal of the method of screening for cervical neoplasia which we have researched. I must say that I find the attitude and response of the Department of Health in this matter very strange."

It is with sadness that I received this morning a letter from Dr. Sincock, who pioneered this work. He said:

"Just a brief note to provide you with an update of information for your . . . debate on 13th May. Mr. D. Kennedy from the NHS Procurement Directorate has yesterday spoken on the phone with Mr. S. Steele, the Head of this department. He will not speak to me in case any information is passed to Quest for a Test for Cancer. Mr. Kennedy did not succeed in getting Mr. Steele to commit himself to further time wasting meetings and discussions. Indeed, it would be fair to say that at the end of the phone call Mr. Steele was of the impression that nothing was being done to resolve the present serious situation and further the Department seemed to be totally confused about our application frequently making contradictory statements.

I have today offered my resignation. I am forced to do this as a result of the grave damage that has been done to my project by the DHSS. Also, some of their recent comments reflect on my professional credibility as a senior research scientist."

Needless to say, Mr. Steele has not accepted that offer of resignation. However, I know that my right hon. Friend the Minister for Health is deeply concerned about this and, probably more than any other Member, is committed to the Health Service and to preventive medicine. I ask my right hon. Friend not simply to give an explanation for what has happened, because what is past is past. I want him to consider that since 15 January, the test has effectively been abandoned.

Millions of women may be suffering from cervical cancer and we know that thousands die every year. The test may provide hope for those women and it will also save the Health Service a great deal of money. I ask my right hon. Friend to give an undertaking that the Department will reconsider the request for very modest financing of £105,000.

3.12 pm

The Minister for Health (Mr. Tony Newton): I thank my hon. Friend the Member for Harlow (Mr. Hayes) for raising this matter and I shall say a word about the overall background of screening for cancer. I want to make it clear, especially in relation to what my hon. Friend said about it being later this year before cervical cancer screening systems will be in operation throughout the country, that my colleagues and I in the Department, about whom my hon. Friend made some kind and generous remarks, are proud that, as a result of our efforts, we are the first and only country in the European Community with a comprehensive national cervical cancer screening service based on computerised call and recall.

The entire family practitioner system has now been computerised. That has been a massive exercise for which everyone involved deserves thanks. In addition to its application to cervical cancer screening, that new system offers many possibilities for the prevention of other types of disease.

Incidentally, we are also the first country in the world to launch a nationwide breast cancer screening service and my hon. Friend the Member for Harlow is aware of that, as the West Essex health authority covers the site of one of the first elements of that system. Already the family practitioner computers are being applied to inviting women for mammography and every region in England now has at least one breast cancer screening service with the whole country due to be covered by 1990.

Those two developments—the cervical cancer screening system and the developing breast cancer screening system—provide a record of which my right hon. Friend the Secretary of State and I can be rightly proud.

I move on to the specific issue my hon. Friend has brought before the House. What I have said is not to suggest in any way that we might not do even better if we could overcome some of the problems of cervical cancer screening. One of them is the quality of the smears that are taken. It is important that my hon. Friend should understand that quality problems are the biggest cause of false negatives. I shall say more about that later, if there is time.

Another problem, to which my hon. Friend's remarks have been principally directed, is the misinterpretation in

the laboratory of the smears which have been taken. We would be anxious to adopt any system that could be proved to make a significant reliable contribution, against the criteria we must use, to the improvement of laboratory testing. The requirements of a diagnostic test suitable for routine use in NHS laboratories are that it should be robust—that is, it should be capable of being performed in different types of laboratories and by operators with varied levels of skill; it should use readily-available reagents and instruments; it should be reproducible; and it should have a high sensitivity and specificity.

Similarly, any new method for identifying pre-cancer of the cervix must offer advantages over the existing technique. It should be more accurate, faster, require fewer trained technicians, and have an objective end-point. Ideally—or at least it would be an advantage—it would cost no more than the present test.

In considering the test developed by Dr. Sincock, the research director of Quest, we have been applying the criteria I have just outlined. His hydrolysed DNA—or HDA—test still uses a routinely collected smear, which is why I emphasised earlier that the principal cause of false negatives is inadequately collected smears. The difference is that with Dr. Sincock's test the smear is treated with acid to remove everything but the cell nuclei, which are then stained by a special technique. The intensity of that staining, which indicates whether there is a pre-cancerous condition, is measured objectively in a semi-automatic machine. There is the added potential for full automation of density measurement. Doctor Sincock claims that even normal-looking nuclei from an abnormal area of the cervix are positive in his tests. If that is so, it may be an earlier predictor of pre-cancerous changes than the current smear test.

At the end of 1987, as my hon. Friend has said, Dr. Sincock published preliminary results from 187 smears. His measurements showed good discrimination between normal smears and those with pre-cancer on that small sample of specimens. In the past few years, discussion of the problem of diagnosis of cervical cancer has stimulated a great deal of interest in the scientific community. By the end of last year, in addition to the application of Dr. Sincock, the Department had received 12 others—some for the automation of the current screening technique and some for new methods of diagnosis. On 26 February this year, an independent group of experts was called together, chaired by the Department's chief scientist, to review all the applications. That expert group thought that Dr. Sincock's test required greater precision than was likely to be sustainable in routine NHS laboratory use, and they found the technique very exacting. They thought that the method of measuring the staining intensity was still fairly slow, and that alternative instrumentation would be preferable.

The application as submitted was not supported for funding but it was recommended that a study should be undertaken in another laboratory to assess whether the method could be reproduced elsewhere. As my hon. Friend's closing remarks indicated, Department officials have been involved in discussions with Dr. Sincock and with a commercial company to explore the possibility of a joint funding venture aimed at securing an independent valuation of the test in another laboratory. If that proves successful, there would be a possibility that the test could be commercialised.

In answer to one of my hon. Friend's points, commercialisation of the test is needed so that it can be made available as a complete package of reagents and instruments ready for use by NHS screening laboratories. Only if that is done can the benefits of the new test be brought to the women who use the screening service.

I realise—and I have firmly registered what my hon. Friend has said—that the Department appears to have taken a long time, especially from the point of view of Dr. Sincock and his supporters, to consider a proposal whose advocates believe that it provides a solution to the problem of accurate smear analysis. I hope that my hon. Friend will agree, however, that it would be wrong to embrace such an idea without being fully satisfied both that it is an improvement and that it is suitable for use in the NHS. The Department has sought, with the help of its independent advisers, to help Dr. Sincock to formulate his proposals and to give them a fair hearing. It is still seeking to work with him and Mr. Steele to see whether a way can be found of taking forward the evaluation of the test.

When I heard that the debate was to take place, I asked for a detailed history of the contacts between the Department and Quest for a Test and Dr. Sincock. I can find only one occasion on which it can be said that things really went wrong. Officials had told Quest that a final decision would be received on the request for funds to evaluate the test by the end of March, but it was not notified formally until 18 April. That notification was in the end conveyed in the letter, part of which my hon. Friend read out. The notification, from Mr. Kennedy, contained a clear and ample apology. It is also fair to note that the delay was due in part to the efforts that my officials had been making to find an alternative way of having the test evaluated along the lines suggested by the expert panel.

It has been suggested that Dr. Sincock's application for support was rejected on scientific grounds, and that he was not told what those grounds were. I have already explained why the expert panel felt that it could not support his proposals. Perhaps my officials could have been more explicit; however, confidential commercial matters were involved, and they were at the time seeking to meet Dr. Sincock to explain the position face to face.

I also ackowledge that Dr. Sincock was originally told that his application would be considered at a meeting in November, as that was the intention at the time. However, as I have explained, 12 other applications were received, and it seems to me that it was more sensible in those circumstances to look at them all together. The panel of independent experts was set up, and that caused a delay in responding to Dr. Sincock's application. That was perhaps unfortunate, but as the total applications amounted to some £1·5 million and the available funds were limited, it was obviously important to select those likely to produce the best results. That could not be done on a piecemeal basis.

I should perhaps make it clear that our officials strongly dispute the suggestion that Dr. Sincock was told that his work was of low priority. He was, I understand, told that the external referees to whom his original application was referred had some reservations about his proposal, which had received only cautious support, and he was asked to amend it in the light of their comments. He has been assured—I re-emphasise this—that the whole subject of cervical cancer is of high priority within the Department,

[Mr. Tony Newton]

and that any new methods that could improve the laboratory diagnosis are, and will continue to be, carefully and seriously considered.

My hon. Friend suggested that we might, even at this stage, finance Quest for a Test's work, despite the background which he has covered from his perspective, and which I have covered from the perspective available to me from the Department. I hope that I have explained that we have considered the application very carefully, as has the independent expert panel convened specially for the purpose, and given the reasons why funding has not been provided. With regret, I do not see that what my hon. Friend has said provides a basis for changing that decision. I do not wish to raise false hopes, although in view of my hon. Friend's final remarks I am willing to say that I will have a further look at the matter. That is said with no commitment, and without seeking to raise expectations, which might prove false, of finding any alternative way round the difficult position that he has described.

The House may be interested to know something about the projects that the chief scientist's expert group considerd as suitable for funding by the DHSS. One was a monolayering machine. The Department had already helped to fund the development of a prototype of that machine, which is now ready for field trials. It prepares a single layer of cells from cervical smear material that can then be screened by an automatic image analyser. That machine is crucial to the development of the other project that has been regarded as suitable for DHSS support. That machine is called "Cytoscan", which is being developed for automatic pre-screening of cervical smears and is intended to scan the single layer slides.

I mention that, even at the expense of including some scientific jargon, to make it clear to my hon. Friend the Member for Harlow and to Quest For a Test for Cancer that there is no question of the Department not being willing, when the advice suggests that it is the right course, to find support for particular proposals designed to improve cervical cancer screening. We are firmly committed to that. We are not, at present, pursuaded that we should act in the way in which my hon. Friend urged in the latter part of his remarks. However, I shall have a further look at the matter in the spirit in which I have sought to respond to my hon. Friend.

Question put and agreed to.

Adjourned accordingly at twenty-five minutes past Three o'clock.

House of Commons

Monday 16 May 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

Safety Standards

1. **Mr. Morgan:** To ask the Secretary of State for Transport if he will make a statement on safety standards in the aviation, railway and shipping industries; and if he will institute an inquiry into the safety aspects of public passenger transport.

The Secretary of State for Transport (Mr. Paul Channon): I regard safety as an overriding priority. Safety standards in the railway and shipping industries are the subject of continuous review by my Department. Safety in civil aviation is a matter for the Civil Aviation Authority. I see no need for a special inquiry.

Mr. Morgan: Does the Secretary of State agree that the public are demanding a thorough look at the way in which the pressure of continual competition is prejudicing public safety, particularly following the revelations in the *Daily Mirror* on Friday that only nine months after the original disaster another P and O ferry sailed with its bow doors open, precisely because of the pressure to make up time? That caused the original disaster, which was the worst, apart from the Titanic, in British maritime peacetime history. In the light of that revelation, does the Secretary of State agree that he must now look at this whole question? The public are demanding that he sets up a proper commission of inquiry.

Mr. Channon: I am conducting an inquiry into that important allegation, as is P and O. The hon. Gentleman rather overstates the matter when he says that the vessel put to sea. As I understand it, the ferry was moved from one berth to another inside the harbour.

Mr. Wilkinson: As aircraft cabin fires are by far the largest cause of death in otherwise survivable air accidents, has the CAA reported to my right hon. Friend on its assessment of the effectiveness of cabin sprinkler systems, which offer the best chance of saving life?

Mr. Channon: Water sprinkler systems are under investigation and tests have recently been carried out by the CAA. My hon. Friend raises an important matter and one on which I hope progress can be made.

Mr. Skinner: Will the Secretary of State also look into the fact that on 10 May 1988 the Pride of Bruges ferry did not have sufficient crew on board with the proper marine evacuation certificates and had to use its catering staff to make up the number?

Mr. Channon: The Pride of Bruges must have had the right number of crew on board with sufficient qualifications, or my surveyors would not have allowed it to sail.

Dr. Michael Clark: Is my right hon. Friend aware of the increasing public anxiety about the number of near misses in the airways over the United Kingdom? Is he sure that air traffic controllers are properly trained? Does he feel that there should be more of them, or that different systems should be used to ensure the safety of our skies?

Mr. Channon: I disagree with my hon. Friend's analysis. If he looks at the figures he will see that the number of air misses is decreasing, not increasing, and that is an important point to bear in mind. The training of air traffic controllers is for the CAA, and the Select Committee on Transport is undertaking a full investigation of this and all relevant matters. Obviously, we shall wish to see what its report says. I have no evidence to suggest that the training of air traffic controllers is in any way inadequate.

Mr. Robert Hughes: It seems that almost everyone in the House and elsewhere is worried about ferry safety, except the Secretary of State, who is strangely reticent from time to time. Will he advise the House whether his Department sent a confidential report to the International Maritime Organisation? If so, will he publish it? Has he seen the other reports from an institute in Bradford about ferry safety and fatigue? Does he realise that the matter will get worse with commercial pressures, not better?

Mr. Channon: The hon. Gentleman's opening remarks were most unreasonable. He knows perfectly well that since I have been Secretary of State for Transport we have taken more measures on ferry safety than were taken in perhaps the previous generation. I resent and repudiate what he said on that score.

We have taken international action with the IMO to ensure that foreign and British ships coming into our ports are safe, and we are conducting a programme of research into all these matters and the allegations that have been made. It is regrettable that many Opposition Members make vague allegations, rather than specific ones, and never send us any evidence.

British Rail

3. **Mr. Anderson:** To ask the Secretary of State for Transport when he next expects to meet the chairman of British Rail; and what subjects he expects to discuss.

18. **Mrs. Dunwoody:** To ask the Secretary of State for Transport when he next expects to meet the chairman of British Rail; and what subjects he expects to discuss.

Mr. Channon: I shall be meeting the chairman on 24 May to discuss matters of current interest.

Mr. Anderson: Is the Secretary of State aware of the conclusions of the "Better Rail" report published in March by National Economic Research Associates? Will he ensure that he discusses the findings of that report with the chairman, and will he commend the initiative of the rail

unions, which led to this report on punctuality and other matters that are vital to rail users? Will the right hon. Gentleman ensure that the findings of that report are injected into the current studies of rail services in London and the south-east?

Mr. Channon: There have been several recent reports, and the one to which the hon. Gentleman refers was one in which the National Union of Railwaymen played a prominent part. I look forward to discussing the report with the union in early June, and I shall certainly discuss it with the chairman of British Rail. The Government and British Rail share a common objective—better quality of service on the railways.

Mrs. Dunwoody: Will the Secretary of State give an undertaking to the chairman of British Rail that he will encourage inland customs clearance depots when the Channel tunnel is built so that freight traffic from the north can be customs-cleared in the area where it is manufactured and need not be trans-shipped at some point in the south-east?

Mr. Channon: I shall certainly discuss that subject with the chairman of British Rail. I am anxious that the benefits of the Channel tunnel should be felt in the north and in areas other than the south-east. Indeed, I am awaiting a special report by British Rail on rail links for the Channel tunnel. I hope to have it within the next month.

Mr. Soames: When my right hon. Friend next meets the chairman of British Rail, will he ask him to institute an inquiry into the way in which British Rail makes such arbitrary changes to its timetables? Is he aware that in Balcombe in my constituency, where many people bought houses because of the ease of commuting to London, several timetable changes have greatly inconvenienced rail users?

Mr. Channon: My hon. Friend will appreciate that timetabling is entirely a matter for British Rail, but I shall draw the chairman's attention to that matter when I see him.

Mr. Raffan: To return to the point made by the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), is my right hon. Friend aware of the serious concern in Wales about the fact that neither mid Wales nor the south of the Principality will benefit fully from the Channel tunnel unless there is a significant upgrading of the track from the south coast? This is an urgent matter. Will he do his utmost to bring pressure on British Rail to respond fully to the feelings in Wales and in the north, which it does not appear to do at present?

Mr. Channon: That is a little unfair. My hon. Friend knows that I am expecting a report from British Rail next month. I shall study it with interest and bear in mind what he said.

Mr. Cartwright: Will the British Rail report on improving access to the Channel tunnel from the north and the midlands include provision for a new rail crossing of the Thames to the east of London in view of the necessity for such a facility to improve access to the Channel tunnel?

Mr. Channon: It is difficult for me to say what is in the report when I have not seen it.

Mr. Tredinnick: When my right hon. Friend meets the chairman of British Rail, will he mention the Rugby road railway bridge at Hinckley in my constituency, which is causing great anxiety? British Rail proposes to raise it by only a few millimetres, yet it is the unanimous opinion of the district council that it should be raised by much more. Will my right hon. Friend consider the matter?

Mr. Channon: I shall ask the chairman of British Rail to look into that important matter.

Mr. Snape: Does the Secretary of State accept that there is widespread anxiety on both sides of the House about British Rail's future investment proposals in the light of the Channel tunnel? Without wishing to be castigated for being unduly alarmist, may I ask the Secretary of State to accept that projects in connection with the Channel tunnel should be outside the normal, strictly laid down investment criteria for British Rail——

Mr. Forth: Why?

Mr. Snape: Because even the most Neanderthal Conservative Back-Bench Member should appreciate that the true potential for the railways of the Channel tunnel will not be realised unless those facilities are in place before the tunnel opens.

Mr. Channon: The hon. Gentleman knows very well that the Government will support any worthwhile investment proposals that have a sound prospect of improving railway finances. I shall look at British Rail's proposals in that light. I do not think that the hon. Gentleman should get too depressed, because we have not yet seen the report, let alone decided whether to accept it.

Emergency Exercise (Solent)

4. **Mr. Barry Field:** To ask the Secretary of State for Transport when the last major emergency exercise took place in the Solent.

The Minister for Public Transport (Mr. David Mitchell): The last major emergency exercise was conducted on 6 November 1986.

Mr. Field: My hon. Friend will be aware of the considerable expertise gained by the land-based emergency services from the major exercises involving road, rail and air incidents. I understand that my hon. Friend's attention has been drawn to the fact that a large ship recently lost its main propulsion engines while manouevring in the Solent. Given the problems of real-time exercises involving large ships, will he mount an exercise to give the emergency services the necessary expertise to deal with a large-scale emergency?

Mr. Mitchell: There is a major joint emergency plan for the Southampton, Portsmouth and Isle of Wight area known as Solfire. It is well prepared—it was updated in February—it is exercised from time to time and it will be exercised again in October 1988. It falls under the command of the harbour master and I have every confidence in it.

Mr. Colvin: Will my hon. Friend take this opportunity to congratulate Bristow Helicopters on tendering successfully for the air-sea rescue services for that area? Will he confirm that those services will be as good as, if not

better than, those previously supplied by the Ministry of Defence? When are those services likely to come into operation?

Mr. Mitchell: The new service, operated by Bristow Helicopters, will be better equipped for night and all-weather flying than ever before. I am happy to announce that the new civil search-and rescue helicopter took up its post at 8 pm last night and was in operation at 11.06 this morning, when it was scrambled to pick up a sailor from HMS Newcastle who had suspected appendicitis.

Taxi Drivers (Proficency Test)

5. **Mr. Amess:** To ask the Secretary of State for Transport what representations he has received from Basildon seeking the introduction of a higher standard of driving proficiency test for taxi drivers; and if he will make a statement.

Mr. David Mitchell: None that I am aware of.

Mr. Amess: Will my hon. Friend recognise that some of my constituents not only feel that the present test is inadequate but are fed up with having to travel over 15 miles to the nearest test centre? Will he accept that the present test does not teach taxi drivers how to defend themselves against the increasing number of incidents of violence against the person? As two taxi drivers have recently been murdered and one seriously assaulted in Essex, will he please introduce an emergency service for taxi drivers?

Mr. Mitchell: Basildon is not a typical place, and we like to have typical places for driving test centres. It has an extensive one-way system, wide open junctions, well-planned roundabouts, few traffic lights and a pedestrianised town centre. There are four alternative test centres within 13 miles. My hon. Friend had an Adjournment debate on the safety of taxi drivers on 15 February. I announced an extension to allow taxi drivers to be represented on the standing panel on assaults on bus crews. It met on 5 May, and I much regret that taxi drivers were not represented.

Bus Deregulation

6. **Mr. Brandon-Bravo:** To ask the Secretary of State for Transport what is his latest assessment of the effect of deregulation of buses under the Transport Act 1985 on the introduction of minibuses.

Mr. David Mitchell: There were about 40 places served by minibuses prior to the enactment of the Transport Act 1985, involving 400 vehicles. By the end of 1987 a further 5,200 minibuses were serving an additional 350 places. It can therefore be seen that the end of over-intensive regulation and local monopoly has brought visible benefits to the users of bus services.

Mr. Brandon-Bravo: I thank my hon. Friend for that reply, which will be welcomed by all hon. Members. As to the term "minibus" in its wider sense—by that I mean anything up to 25 seats; some people refer to them as midibuses—will he comment on the obvious uses for such buses in rural areas and the benefits of having smaller vehicles operating within and linking council estates? We are experiencing an enormous growth in urban areas in this sector.

Mr. Mitchell: As operators must satisfy customers, rather than have an automatic monopoly, they are finding many innovative ways of doing so, and my hon. Friend drew attention to one of them—the operation of varying sizes of smaller buses, including midibuses, which operate on estates and call much closer to people's homes. They are much valued by the users.

Mr. Tony Lloyd: Does the Minister accept that the whole industry believes that the boom in minibuses is over and is going back to double-deckers? If public transport is so good following deregulation, why has the first independent survey concluded that the number of passengers carried has fallen by between 10 and 12·5 per cent. in metropolitan areas, which means a loss of 185 million journeys per year? Does that not show the failure of deregulation?

Mr. Mitchell: As the hon. Gentleman well knows, that decrease is associated with the reduction in the subsidising of fares in the metropolitan areas. As for his allegation that the growth in minibus use is tailing off, I must tell him that, if anything, interest seems to be growing. For instance, I am pleased to note that a new operator—Merry Hill Minibuses Limited—has started work in the Birmingham area.

Mr. Nicholas Bennett: Does my hon. Friend agree that, like the deregulation of coaches in 1980, the deregulation of local bus services has brought benefits to the public which outweigh the previous restrictive system in terms of more routes for passengers, greater flexibility, more jobs for people in the bus industry and more buses being built in this country?

Mr. Mitchell: My hon. Friend has hit the nail neatly on the head and I thank him for doing so.

City Commuter Services Group

7. **Dr. Marek:** To ask the Secretary of State for Transport if he has received the report of the City Commuter Services Group; if he will discuss it with the chairman of British Rail; and if he will make a statement.

Mr. David Mitchell: Yes, Sir. My right hon. Friend has had several discussions with the chairman of British Rail about the need for new rail investment in London and the steps that British Rail is taking to improve reliability and quality.

Dr. Marek: If the Minister does not believe what he has been told by the Monopolies and Mergers Commission, the National Union of Railwaymen and the Transport Users Consultative Committee about the state of the railways in the south-east, will he believe his friends in the City? Will he give a categorical assurance that when the Channel tunnel opens and international trains come to London, City commuters will in no way be inconvenienced by the extra traffic?

Mr. Mitchell: The hon. Gentleman has asked two questions. I recognise that in much of Network SouthEast the quality is not as good as it should be, although on many lines it is very good indeed and up to continental standards, and I pay tribute to the staff for what they are achieving. I shall shortly be meeting the director of the south-east sector to see what can be done about the

laggard lines. Very substantial investment is taking place in new rolling stock, signalling and track improvements designed to deal with the problems.

As for City commuters and Channel tunnel trains, I am expecting from British Rail early next month a report looking into that aspect over the next decade.

Mr. Simon Coombs: What discusions has my hon. Friend had with the chairman of British Rail about the principles of park and ride schemes? At the next meeting, will he raise with the chairman the social value of such schemes to medium-sized towns such as Swindon in trying to supplement the existing public transport infrastructure in those areas?

Mr. Mitchell: My hon. Friend makes a valuable and useful point. Park and ride schemes have not only social advantages but substantial commercial advantags. British Rail is alive to that and is looking for suitable sites. I am sure that if my hon. Friend has one in mind he will write to the chairman of British Rail.

Mr. Foulkes: Has the Minister seen the proposal to use alternative rail routes around London—through the midlands of England and over Settle and Carlisle, on which I understand he is to comment later, and up to the Kilmarnock line—as ideal routes for Channel tunnel traffic? Is he seriously considering that proposal? If so, will he consider siting one of the customs clearance depots at Kilmarnock, which is an ideal centre for the whole of the west of Scotland?

Mr. Mitchell: The hon. Gentleman may rest assured that British Rail is currently studing carefully the pattern of freight movement and where it will be brought together in all regions of the country. British Rail will be reporting on that in due course, and when it does I shall bear in mind the attractions of Kilmarnock. I shall be in Scotland later this week and will take the opportunity to discuss the matter with ScotRail.

Mr. Jack: In addition to discussing matters concerning London, will my hon. Friend find time to convey to British Rail the thanks of those of us in the north-west for the improved timetable, the increased investment in traction units and the improved track maintenance facilities that are benefiting services on the west coast main line? Will he also take time to ask the chairman of British Rail to take into account the needs of tourism in the north-west in planning his future train capacity?

Mr. Mitchell: I shall be happy to draw the chairman's attention to those points, and I am grateful to my hon. Friend for recognising British Rail's considerable efforts to improve the time-keeping and efficiency of the west coast main line, the benefits of which are now beginning to appear.

Mr. Roy Hughes: Will the Minister also discuss with the chairman the restoration of local railway facilities, which can be beneficial commercially and environmentally? Does he appreciate that many local authorities would like to go ahead with various schemes but are prevented from doing so by the Government's control of the purse strings?

Mr. Mitchell: The hon. Gentleman knows that British Rail has opened 50 new stations in recent years—including a number in Wales. If he knows of any commercially beneficial services that could be run but are not being run, perhaps he will let British Rail know, as it is always on the lookout for commercially viable opportunities.

Road Maintenance Contracts

10. **Mr. Forth:** To ask the Secretary of State for Transport what further measures his Department is taking to ensure better value for money in its awarding of contracts for road maintenance.

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): New regulations have been made requiring more works to be put out to competitive tender. We are also extending lane rental contracts to a wider range of works. Better design standards should ensure that roads last longer.

Mr. Forth: I am grateful to my hon. Friend for that helpful answer. On behalf of all M1 users, may I ask what he does to balance the concepts of value for money on the one hand and the time taken to effect repairs and maintenance on the other? For example, is there any possibility of doing more repairs at night to try to minimise the disruption caused on the M1—and no doubt by future repairs on other motorways?

Mr. Bottomley: We try to use the value of motorists' time as an incentive to those doing the work to complete it more rapidly. Lane rental has led to a 30 to 40 per cent. speeding up of the road works on the M1. I look forward to the day when we have caught up with the backlog that we inherited from the last Labour Government, and I hope that we never get such a backlog or such a Government again.

Mr. Crowther: What steps does the Minister take to penalise contractors who close lanes for unnecessarily long periods? Does he appreciate the frustration caused to drivers—as well as the losses to companies—when cars, buses and lorries are held up by the thousand for an hour or more by the closure of a lane in which there is no sign of any work taking place?

Mr. Bottomley: The hon. Gentleman has correctly analysed the whole purpose of the lane rental scheme. However, many of those who use our roads need to realise that with 120,000 vehicles a day passing through some contraflows it takes only one person to make a mistake for people to get killed. I pay tribute to the motorway maintenance people, who do much dangerous work while the rest of us scoot past pretending that they are not there.

Mr. John. M. Taylor: Does my hon. Friend agree that the best way to get value for money from maintenance is to build motorways properly in the first place; for example by making the Oxford to Birmingham section of the M40 three lanes all the way?

Mr. Bottomley: My hon. Friend will want to pay tribute to my right hon. Friend the Secretary of State for ensuring that motorways are now built to last for 40 years without serious work, as opposed to the 20-year period that we inherited from the last Labour Government.

London Underground (Safety)

11. **Mr. Cohen:** To ask the Secretary of State for Transport when he last met the board of London Regional Transport to discuss safety standards on London Underground.

Mr. Channon: I met the chairman and managing director of London Underground Limited on 18 April, when he briefed me on the action the Underground is taking following the fire at King's Cross.

Mr. Cohen: The Secretary of State will have seen London Underground's "103 points for greater safety". While that contains many good points—begging the question why they were not implemented before—it leaves many problems unsolved. For example, instead of messing around trying to service wooden escalators, should not London Underground replace them, and should not the staff reductions that have made the Underground more dirty and dangerous be reversed immediately? Will the Minister answer the safety points and put up all the money to make the improvements to which I have referred?

Mr. Channon: I am anxious that the Underground should be safe and be seen to be safe. I welcome the 103 suggestions made by London Underground Ltd., covering removal of wooden cladding from escalators, installation of fire-resistant materials in stations and a host of other matters of which the House will be aware. I support what London Underground is doing. There is a question about staffing on the Order Paper, so I shall leave that matter. There is no question of expenditure being a constraint on the Underground carrying out its work. Safety is a top priority.

Mr. Dykes: Does my right hon. Friend agree that we must be grateful to *The Evening Standard* for yet again, today and last week, highlighting the dangers revealed in the King's Cross inquiry concerning the regrettable inadequacy and old-fashioned nature of some of the fire prevention equipment on Underground stations, including those in the open air, which can be a greater fire hazard than we often imagine? The existence of a few dilapidated sand buckets at stations is no substitute for ensuring that there is proper fire prevention equipment at frequent intervals. Notwithstanding LRT's direct responsibility in these matters, will my right hon. Friend have further discussions with LRT on this important issue?

Mr. Channon: I am in continuous touch with LRT on this matter. There is to be a new post of senior fire officer in LUL. His first duty is to review the fire equipment and procedures. Under the present rules there is a daily check to ensure that there are extinguishers in each carriage, a fortnightly check by engineering staff and a full annual overhaul. I shall certainly draw London Underground's attention to my hon. Friend's remarks.

Mr. Tony Lloyd: Will the Secretary of State take this opportunity to confirm, or deny, that of the 103 points in the action plan none concerned a recommendation made to London Underground before the King's Cross fire and none was prevented from being implemented because of lack of finance?

Mr. Channon: I made it clear that LRT had taken action on several matters in advance of the investigation, including those that I have raised. There is no question of the inquiry making recommendations yet. We shall have to see what recommendations to improve safety emerge from the King's Cross investigation. The House will want to take that matter extremely seriously. In the 12 years before the King's Cross fire there was only one accident involving a passenger fatality in some 35 billion passenger miles travelled. London Underground's safety record should be studied in its entirety.

King's Cross Fire (Inquiry)

12. **Mr. Tony Banks:** To ask the Secretary of State for Transport what has been the cost to public funds so far of the inquiry into the King's Cross fire.

Mr. David Mitchell: The cost to my Department has so far been £498,000. In addition, the Treasury Solicitor is responsible for payment of fees to counsel for the investigation.

Mr. Banks: Why did the Secretary of State, through the Treasury Solicitor, refuse to cover the legal costs of the Association of London Authorities, which wished to give evidence to the inquiry? Was it because the ALA intended to raise some serious matters about safety and the Government's position in terms of the investment requirements that they impose on London Regional Transport? While the hon. Gentleman is considering the response to that part of the question, will he tell the House whether the Secretary of State intends to insist on a 7 per cent. return on capital investment from LRT—which effectively rules out many investment schemes with a direct safety aspect—or does he make a capital return calculation on dead bodies?

Mr. Mitchell: The hon. Gentleman must be well aware that those offensive remarks are wholly unjustified. I emphatically reject any suggestion that any question that should have been asked has not been asked. No one who has followed these matters can conceivably accuse counsel for the inquiry of having used kid gloves. In any case, the inspectors said that, on the evidence so far, the presence of the ALA has been of marginal assistance to the investigation. It did not appear to us, therefore, that it was warranted to incur those charges on the public purse.

London Underground (Staffing)

13. **Ms. Ruddock:** To ask the Secretary of State for Transport if he has discussed with the chairman of London Regional Transport the programme of cuts in station staff now being implemented on the London Underground; and if he will make a statement.

Mr. David Mitchell: No. It is for the boards of London Regional Transport and London Underground Ltd. to decide staffing arrangements in the light of LRT's statutory duty to have due regard to efficiency, economy and safety of operation.

Ms. Ruddock: I thank the Minister for that reply. He must be aware that substantial staff cuts have occurred since the King's Cross fire disaster and that London Underground is embarking on a scheme whereby staff numbers will be reduced by one third by the 1990s. Does the Minister agree that he must be concerned about such matters? Surely the safety of the travelling public depends on staff in uniforms, rather than on machines on walls.

Mr. Mitchell: When we introduce new technology and modern working practices, we often do not need as many staff as there were before. Indeed, that is much of the justification for investment of that sort. Moreover, when new ticketing machines are introduced, fewer ticket-selling staff are needed. That has nothing to do with the safety of the Underground's operations. More effective use of staff, and ensuring that they are available to help the travelling public, are more important ways forward, and LUL is pursuing them.

Mr. Harry Greenway: Will my hon. Friend consider the safety of members of the public at London Underground stations and ascertain whether a member of staff or a member of the police force could constantly be at stations, so that the public, particularly the elderly and the young, would always he protected from violence?

Mr. Mitchell: Yes. Indeed, we have already given London Underground Ltd. £15 million for crime fighting. As a result of the activities that it has been pursuing, particularly in respect of alternative ways of policing the southern end of the Northern line, there has been a 25 per cent. reduction in muggings. I am sure that the House will welcome that.

Mr. Spearing: The Minister said that it is the duty of London Regional Transport to conduct its operations with due regard to economy and safety. Is it not a fact that there has been too much regard for economy and too little regard for safety, particularly in respect of personnel on station platforms, and, conceivably, deep-level tube crews? With the new financial objectives that the Secretary of State will give LRT after the King's Cross inquiry, will the Minister pay much more attention to balancing safety with economy, without prejudice to the latter?

Mr. Mitchell: I can only say that London Underground Ltd. and LRT have a statutory duty to have regard to safety. Nothing that we do will in any way damage or inhibit that——

Mr. Spearing: The Minister has done so already.

Mr. Tony Banks: The Minister has cut the subsidy.

Mr. Mitchell: The hon. Gentleman is entirely wrong if he is implying that the Government have in any way denied London Underground Ltd. the resources that it needs to fulfil its statutory duty in regard to safety.

Railway Safety

14. **Mr. Snape:** To ask the Secretary of State for Transport whether he will meet the chairman of British Rail to discuss improvements in railway safety in the light of the report by the railways inspecting officer on the Colwich junction collision in September 1986.

Mr. David Mitchell: No, Sir. The British Railways Board will be formally reporting to the Secretary of State on all aspects of the report in the near future.

Mr. Snape: It must be a matter of some concern that the passion for economy that pervades British Rail management can lead to a reduction in the number of locomotive inspectors who are available to travel on west coast main line trains. Is it not a worrying aspect of modern technology that a train travelling a few yards past a red signal can come into head-on collision with a train travelling at 100 mph? Is it not a tribute to the skills of those who work in British Rail Engineering Ltd. that, despite the severity of the accident described in the report, not a single passenger lost his or her life?

Mr. Mitchell: I join the hon. Gentleman in paying full tribute to British Rail's improved standards in the rolling stock that it is manufacturing these days, compared with the designs of some years ago. Indeed, that is and should be a matter of some considerable pride to the railway supply industry. On the hon. Gentleman's point about locomotive inspectors, I am informed that the ratio of drivers to inspectors is lower in recent years, and, thus, efficiency of supervision has improved.

Mr. Wigley: When the Minister is discussing improvements in safety with the chairman of British Rail, will he ensure that some attention is given to the worries expressed on the Cambrian coast line about open and unmanned crossings, in view of the number of accidents that have occurred? Will he impress upon the chairman of BR the need to take into consideration not only railway matters but the feelings of local communities when such problems arise?

Mr. Mitchell: The hon. Gentleman will know that there are clear rules as to what form of level crossing is appropriate, and in which circumstances. Those rules have recently been revised in light of the Stott inquiry. I am also conscious of the fact that it is incumbent on BR to explain what it is doing to the people in the vicinity where change is proposed, because whenever change comes there is fear. I am satisfied that the arrangements are perfectly safe, but I am certain that the hon. Gentleman is right to want BR to explain that to the local people.

ATTORNEY-GENERAL

Family Court

56. **Mrs. Virginia Bottomley:** To ask the Attorney-General what further representations the Lord Chancellor has received seeking the establishment of a family court; what response he has made; and if he will make a statement.

The Solicitor-General (Sir Nicholas Lyell): The Lord Chancellor continues to receive representations from both hon. Members and others, and the Government are actively working on the issues comprehended by the concept of a family court. High priority is being given to the rationalisation of the law relating to the care and upbringing of children, which is an essential precursor to any reform of court structures.

Mrs. Bottomley: Bearing in mind that it is 16 years since Finer first raised its report, and recognising the Lord Chancellor's commitment to the rationalisation of family and child law, is my hon. and learned Friend aware that this is a necessary first step, not a final one? So long as many family cases are heard in courts that primarily exist for criminal purposes there is little likelihood of proper justice being done in such cases. When does the Lord Chancellor envisage responding officially to his own consultation document, to which many have made representations?

The Solicitor-General: I well understand the point that my hon. Friend is making. A response will be forthcoming. Some of the answers are to be found in the White Paper of January 1987. Once we have the rationalisation of the law well in train, we hope to come forward with a formal response, as my hon. Friend has requested.

Mr. Alex Carlile: Is the Solicitor-General aware that the profession that is generally most opposed to change, the legal profession, is virtually unanimous in the belief that a family court system is urgently required? Immediate attention should be given to the dual jurisdiction of magistrates' courts and to the hostility that county court matrimonial proceedings inevitably engender because of the adversarial system that is still retained in those proceedings.

The Solicitor-General: Yes. The rationalisation of the law will provide a helpful first step in the process, and then we can look to the court structures. When the hon. and learned Gentleman refers to unanimity within the legal profession, he may refer to unanimity over the belief that something should be done, but there is less unanimity within that profession about what should be done.

Mr. Sims: If it is the view of my noble and learned Friend the Lord Chancellor that changes in child care legislation should precede rather than follow changes to set up a family court, may we have an assurance that such changes, particularly legislation on child care, will form an essential part of the Queen's Speech later this year?

The Solicitor-General: I can say that they will be given high priority.

Prosecution Policy (Car Drivers)

57. **Mr. Allen:** To ask the Attorney-General what representations he has had on prosecution policy relating to deaths caused by car drivers; and if he will make a statement.

The Attorney-General (Sir Patrick Mayhew): Representations have been made to me by the hon. Member for Nottingham, North (Mr. Allen), by my hon. and learned Friend the Member for Burton (Mr. Lawrence) and on behalf of the campaign against drinking and driving.

Mr. Allen: I thank the Attorney-General for that reply, and I also thank his staff for the sympathetic way in which they have handled the case with which, as the Attorney-General is aware, I am involved. Is he aware that there is a great legislative gap between death caused by reckless driving and driving without due care and attention? Is he also aware that the North committee on road traffic laws has reported to the Government on that omission? When does he believe that the Government will bring forward proposals to fill that gap, so that tragedies such as that which befell my constitutents, whose small daughter was killed by careless driving, may be remedied?

The Attorney-General: I am grateful for what the hon. Gentleman has said. I express my thanks to him for the whole tenor of his approach to this sensitive and difficult matter, which causes much sadness and distress to the relatives of people killed in road accidents. The hon. Gentleman rightly identifies the difference between reckless and careless driving. He knows that an offence of causing death by driving is an offence only where recklessness can be shown. He knows also that the prosecution service must be satisfied that there is a proper case.

The hon. Gentleman refers to the recommendation of the North committee that there should be an offence of causing death by bad driving while under the influence of alcohol. He will know that the decision to introduce that is for my right hon. Friends, not for me, but they will heed what the hon. Gentleman has said.

Mr. Lawrence: Is my right hon. and learned Friend aware of the depth of feeling that exists, not only in families, but in constituencies countrywide, about the small sentences of fines and totting-up points imposed upon people who while under the influence of drink, have killed ordinary citizens. The depth of feeling is strong and the Government will have to do something about it. Is my right hon. and learned Friend satisfied that the Crown Prosecution Service is accepting fewer pleas of guilty to careless driving in such circumstances? Is he satisfied also that the North recommendation to uprate charges from careless driving to reckless driving in such a situation will be adequate to satisfy public demand?

The Attorney-General: I understand the depth of feeling that there is in the country, and I have said what I think I can sensibly say about the recommendation of the North committee. The judiciary must be responsible for deciding what penalties it shall impose out of the range that is made available by Parliament. However, my hon. and learned Friend will remember the guidelines laid down by the Lord Chief Justice regarding death caused through driving. I believe that sooner or later we shall arrive at a scale and practice that will meet the proper anxieties of all our constituents.

Mr. Fraser: Is the Attorney-General aware that a prosecution can pass without the family of the victim knowing what has happened? I have come across cases where the trial has been taking place on a plea of guilty without the family knowing about it. Will he ensure that the families of victims receive more consideration? When it is a borderline matter of whether to prosecute for careless driving or causing death by reckless driving, although the decision must rest with the prosecuting authorities, will they consult the families of the victims before coming to a conclusion?

The Attorney-General: I recognise what the hon. Gentleman has said. Of course, primarily it is the responsibility of the police to notify the families of victims of the outcome of prosecuting decisions and of cases. The Director of Public Prosecutions is alive to the need to treat this issue sensitively. Accordingly, local offices of the CPS will, on request, inform relatives of victims of the basis on which a decision was taken. The CPS is prepared also to offer the opportunity of a meeting with a senior member of the CPS staff. I cannot agree with the suggestion that the question whether to prosecute should rest with the opinion of the relatives.

Extradition (Irish Republic)

58. **Sir John Biggs-Davison:** To ask the Attorney-General if he will make a statement on progress on extradition arrangements with the Irish Republic.

The Attorney-General: The Attorney-General for the Republic of Ireland and I had positive discussions in Dublin on 10 May. We discussed the basis upon which extradition from the Republic of Ireland to the United Kingdom of suspected offenders can be undertaken in the light of changes now effected by the Republic's legislation. We have now reached a clear mutual understanding in respect of matters of concern and we confidently hope that in all proper cases extradition will now take place, in conformity with the new Irish legislation.

Sir John Biggs-Davison: Does my right hon. and learned Friend say that the Irish Republic is no longer treating the United Kingdom as the least-favoured nation for this purpose? Is not one of the consequences of the Anglo-Irish Agreement that undue pressure is constantly being put upon Her Majesty's Government, without any obligation to make concessions on the other side? Is it not time that the Agreement was replaced by an equal treaty?

The Attorney-General: My hon. Friend will allow me to comment that questions as to the merits of the agreement go rather wide of the original question. The British Government resisted the proposal to pass the new legislation, but it is now in place. Accordingly, we must recognise that any request for extradition from the Republic, if it is to succeed, must conform with the requirements which the Irish law imposes upon the Irish Attorney. It is in that regard that we had the discussions to which I referred, and it is in that context that we mutually hope, with confidence, that, in proper cases, extradition will now take place.

Mr. Winnick: Does not that understanding or agreement with Dublin give the lie to all those on the Government Benches who have argued that Dublin is not interested in reaching agreement on extraditing to Britain those who are suspected or accused of terrorism? Is it not a fact that there is now a serious responsibility on the Attorney-General himself, whatever views he may have of the Anglo-Irish Agreement, to make sure that the agreement on extradition works?

The Attorney-General: All of us want to see that there is no hiding place for guilty offenders in either of our countries. I do not believe that it is fruitful to harp upon unhappy differences in the past, even in the recent past. We now have to see how we can best co-operate to ensure that, in conformity with our own legislation, guilty or properly suspected offenders are extradited to face justice.

OVERSEAS DEVELOPMENT

Official Aid

Ms. Mowlam: To ask the Secretary of State for Foreign and Commonwealth Affairs what proportion of gross national product was provided as official development assistance in 1987; and if he will make a statement about his policy on progress towards attaining the United Nations 0·7 per cent. of gross national product target in 1988-89.

Miss Joan Lestor: To ask the Secretary of State for Foreign and Commonwealth Affairs what proportion of gross national product was provided as official development assistance in 1987; and if he will make a statement about the Government's policy on progress towards attaining the United Nations 0·7 per cent. of gross national product target in 1988-89.

The Minister for Overseas Development (Mr. Chris Patten): We do not yet have the figure for 1987.

As to the attainment of the 0·7 per cent. United Nations target, I can only say that, like previous Administrations, the Government are not able to set a date for achieving this. But, as the House will know, the aid programme is now growing in real terms and its quality is high.

Ms. Mowlam: Can the Minister explain how he knows that the aid programme is now growing in real terms if, as he told us at the beginning of his answer, the figures are not available? Can he tell us why there is that delay? Surely he has the figures for the aid budget and for the GNP, and surely he can add the two together. Does the Minister have something to hide?

Mr. Patten: First, I am afraid that, in her engaging supplementary question, the hon. Lady was making confusion. We know the public expenditure figures, which have already been published. They show that our overseas aid programme is growing in real terms. To establish what proportion of GNP was represented by aid last year we have to take, first, the growth figures for last year and, secondly, the figures for official development assistance, which we announce to the Organisation for Economic Co-operation and Development. We shall do that, as usual, at the beginning of June. Because of the record growth rate last year, I would expect that the percentage figure for this year to be lower, even though the aid programme is growing in real terms.

Miss Lestor: May I equally engage the Minister in further deliberation on this matter? First, the figures were published in April and early May in the past. I am a little perturbed about the delay in publication. Is it because the revised figure that he gave last week in answer to a question from my hon. Friend the Member for Monklands, West (Mr. Clarke) showed that the proportion given previously for last year had fallen rather than risen? Secondly, as the Minister has already announced the figures for the SADCC countries for 1987, is it not unbelievable that he is unable to do the arithmetic to which he has already referred and give us the figure that we are all seeking, so that we can begin to see what progress, if any, we are making towards the United Nations' target?

Mr. Patten: I think I am right in saying that the hon. Lady is confusing the 1986 figure to which my hon. Friend referred in a reply to the House last week and the 1987 figure, which, as has been customary, will be provided for the OECD in early summer—in this case, in early June. I repeat what I said earlier to the hon. Member for Redcar (Ms. Mowlam)—perhaps the hon. Lady did not hear what I said—that I expect the figure to be lower for 1987 because the economic growth rate was 4·5 per cent. I imagine—this is one of the perverse consequences of using the percentage of GNP—that if the Labour party were in Government the economic growth rate would be lower and therefore, without changing our aid programme, the proportion of GNP taken by aid would be higher.

Mr. Lester: Does my hon. Friend, as one who, by voice and vote, has continued to press for an increase in the

overseas development budget, agree that when it comes to our principal policy of aiding the poorest people in the poorest countries, what is important is not always cash resources, but human resources—people who will work in those areas to achieve the change that we desire?

Mr. Patten: My hon. Friend is right. That is why I am pleased that we have made yet a further increase in the grant for the Voluntary Service Overseas and other organisations which send young and not so young volunteers to work in other countries. I should also draw attention to the fact that the last review by the OECD commended the quality of the British aid programme, and particularly the fact that we provide more aid to poorer countries than do most other OECD members.

Mr. Wells: Surely it is more important to target our aid so that it increases the value given to each country than to chase after a mythical United Nations figure of 0·7 per cent. Is it not the quality of the aid projects and what they achieve that is important, rather than a simple statistic? Is it not time to think of reversing the decline over the past 15 years in real terms of our aid programme in the Caribbean?

Mr. Patten: I wondered where that question was going to finish up, and I was not surprised when it was the Caribbean. It is extremely important that we have a good quality aid programme in the Caribbean. It is also important to provide Caribbean countries with the trade opportunities that they need—for example, for bananas and sugar. I was arguing that in a meeting between the ACP and EEC countries only last week. As to targets, my hon. Friend knows that we shall have exceeded the UN target for official and private flows in every year except one since 1979. Our total private investment in developing countries is almost as great as that of the rest of the European Community put together.

Ms. Armstrong: Is the Minister aware that this week marks Christian Aid week, when millions of British people will be reaffirming their commitment to development and growth in the developing world? Is he further aware that many are looking to the Government to exhibit a similar commitment to increasing opportunities in the Third world? Will the Government make an announcement this week which will support and encourage this voluntary giving?

Mr. Patten: I am happy to tell those people that this year the British Government will be spending £70 million more through our aid programme than last year and that in 1990-91 we shall be spending £115 million more than we are this year. I also refer those people to the extremely important initiatives that we have taken in the context of African debt.

Text books for Africa Project

67. **Mr. Rhodes James:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the Textbooks for Africa project.

Mr. Chris Patten: The Textbooks for Africa project aims to make available surplus O-level textbooks from Britain for secondary schools in Africa where they can be used to good effect. The project is being run by the British Council, the Ranfurly library service and Rotary International. I have agreed to provide up to £75,000 this year to the Ranfurly library service to help with the work load involved.

Mr. Rhodes James: Is my hon. Friend aware that this project has caught the imagination of a considerable number of people, incuding many of my constituents, who want to make a personal and private contribution to assisting education in Anglophone Africa? It is a project that fully deserves his support, for which we are grateful. I hope that, eventually, it will not be limited to Africa. Is there not an enormous potential in this idea, involving Churches, schools, local authorities, higher education, private individuals and Her Majesty's Government? Will my hon. Friend give a commitment that he will continue to give it his full support?

Mr. Patten: I am most grateful to my hon. Friend for those remarks. I assure him that we shall continue to give this important project our full support. I have written to the local education authorities and to bodies representing independent schools. I am delighted that the response has been very encouraging. For example, we have heard from 44 local education authorities so far, and 41 have agreed to contribute books to the scheme.

Sub-Saharan Africa

69. **Mr. Yeo:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received regarding aid to sub-Saharan Africa.

Mr. Chris Patten: I have frequent discussions with representatives of sub-Saharan African countries. It is the subject of a large proportion of my mail bag.

Mr. Yeo: Despite the fact that Japan has significantly increased its aid budget, does my hon. Friend share my view that not enough Japanese aid goes to sub-Saharan Africa?

Mr. Patten: As my hon. Friend says, the Japanese Government have made a welcome increase in their aid programme, a point that Mr. Takeshita made during his visit the other day to the United Kingdom. I think that Japan would like to do more in Africa and I intend, I hope later this year, to go and talk to the Japanese Government about how we can, perhaps, do more with them in sub-Saharan Africa. For example, I should like the Japanese Government to put some of their funds through British non-governmental organisations such as the Save the Children Fund and Oxfam.

Settle-Carlisle Railway

The following questions stood upon the Order Paper:

35. **Mr. Bob Cryer** (Bradford, South): To ask the Secretary of State for Transport when he now expects to make a decision on the future of the Settle-Carlisle railway.

54. **Mr. David Curry** (Skipton and Ripon): To ask the Secretary of State for Transport if he will make a statement on the future of the Settle to Carlisle railway.

3.30 pm

The Minister for Public Transport (Mr. David Mitchell): The Settle-Carlisle line is about the most impressive example of our Victorian railway heritage. It runs through spectacular scenery and attracts tens of thousands of tourists each year. Many travel long distances simply to ride on it. Only about 20 per cent. of its usage is for local transport needs as opposed to leisure.

Although currently the line makes a substantial annual loss, I believe that it has considerable potential for development as a tourist attraction. This is a specialised activity for which, quite properly, British Rail is not particularly well qualified. It would be more appropriate for the private sector. The Transport Users Consultative Committee investigation has shown that hardship would be caused to a number of local users, but my right hon. Friend's view is that this would be largely met by the provision of guaranteed bus services. Accordingly, my right hon. Friend is minded, on the evidence before him, to consent to British Rail's proposal to cease operations. We have been advised to delay the final decision until the end of November to enable any new evidence to be taken into account. We plan to allow a further four months thereafter before British Rail operations cease, to enable any prospective future operators to complete their arrangements.

In connection with the prospects for a successor operation, British Rail tells me, first, that it is prepared to negotiate a dowry with a suitable private sector operator. Secondly, British Rail will help to end the uncertainty about the cost of restoring the Ribblehead viaduct by undertaking the repair of one of the 24 arches this year. Thirdly, English Heritage has generously offered £1 million towards the viaduct's repair. Fourthly, the local authorities offered to contribute £500,000 while withdrawing their previous annual support of £70,000 a year. Even that offer was hedged with restrictive conditions. Fifthly, a number of public and private bodies are offering support in cash or kind and with your permission, Mr. Speaker, I shall list these in the *Official Report*. Financial assistance may also be available from the English Tourist Board and the Manpower Services Commission. I am hopeful that this will lead to a new future for the line, and I am ready to make my good offices available to assist in this direction.

Mr. Cryer: Will the Minister accept that his statement will be viewed with massive dismay by all sections of the community, including many Conservative voters? They will be dismayed that the Minister is making such an unimaginative and vicious decision for the people who use the line and the many millions who regard it with very great affection. Will he also accept that this campaign by British Rail was begun with a programme of organised neglect that has led to the present position with the Ribblehead viaduct?

It is appalling that the Government should promise to make money available for a private sector solution when that money is not being made available to the best organisation to run it as part of the national network, namely, British Rail. The restoration and running of an 80-mile line is beyond the resources of a private sector solution. I speak as the founder of the Keighley and Worth Valley light railway back in 1961. This statement will be greeted with extensive dismay, and I regard it as a sad moment for the Settle-Carlisle line when the Minister was brought to the Dispatch Box to make such a heavy-handed and uncaring statement.

Mr. Mitchell: The hon. Gentleman talks about massive dismay at British Rail ceasing to operate and the private sector coming in to run a successor operation. Even in his question just now, the hon. Gentleman added to his long and loud protestations about British Rail's stewardship. I do not see how he can at one and the same time complain about that stewardship and object to our finding specialists in tourism railways. The hon. Gentleman should realise that British Rail's priority is to invest in a modern railway system for the 21st century, not to provide pleasure rides for railway archaeologists.

The hon. Gentleman referred to preserved railways. Let me tell him that the North Yorks Moors railway, with only 18 miles of track, has as big a revenue as British Rail has on the whole of the Settle-Carlisle line—and, moreover, that the Severn railway has as much income as the whole of British Rail's running costs on the line.

Mr. Curry: My hon. Friend the Member for Penrith and The Border (Mr. Maclean) will join me in welcoming the delayed decision to take the line out of the hands of British Rail, which does not want it and which tries to forget it, and into the hands of private enterprise, which will give it the chance of a viable future oriented towards exploiting its tourist potential.

Does my hon. Friend the Minister agree that a long-term future cannot lie with British Rail, which wants to get rid of the line, but must lie with those who are prepared to update it commercially and make the necessary investment? Will he elaborate on his remark that British Rail is prepared to give a dowry to a successor company? Will he say what support will be available, and guarantee that there will be an active Government campaign to attract money that will lead to a proper privatisation of the railway? Finally, will he ensure that his remarks about the needs of local inhabitants, who are in my constituency and that of my hon. Friend the Member for Penrith and The Border, will be looked after genuinely and with a great deal of understanding?

Mr. Mitchell: My hon. Friend has made a number of cogent points about better exploitation of the opportunities on the line as a tourist line by those who specialise in that aspect, rather than by British Rail. In answer to his specific question about the dowry that I mentioned—I know that the House is interested in that—British Rail is anxious to cease its own operations on the route, but is prepared to negotiate a dowry to a suitable private sector operator running a preserved railway. This will reflect the transfer of assets and liabilities. I understand that the dowry will include the two rail tracks, signalling,

structures and land, and that British Rail would undertake to lift, remove and pay for continuously welded rail surplus to the private owner's operating requirements. That could amount to up to £850,000.

My hon. Friend also asked about the protection of local people's usage of the line. We intend to ask the TUCC to give us further advice on bus substitution routes and timing.

Mr. Eric Martlew (Carlisle): To say that I am disappointed by the statement is an understatement. Three generations of my family have driven engines on the line, so I hope that no one says that I do not know anything about it. Today's decision will mean job losses in my constituency. It will mean that the local authorities—I quote from a letter to the Minister from the chairman of the action committee, Mr. William Cameron——

Mr. Speaker: Order. The hon. Gentleman must not read, please.

Mr. Martlew: Does the Minister agree that the provision of local authority money was subject to the proviso that British Rail continued to run the line? The amount promised was £500,000, and that money will not be available to the private sector. Does the Minister agree that this is not a toy railway to be run by enthusiasts, but an integral part of the British Rail system, which should stay there? In my constituency, the Minister's name will go down in history alongside Lord Beeching's.

Mr. Mitchell: I am fascinated by what the hon. Gentleman says. I held three public meetings with the assistance of the local authorities in Settle, Appleby and Carlisle. At the meetings in the first two places there was a large attendance and at Carlisle nobody turned up.

Mr. Martlew *rose*——

Mr. Mitchell: May I say that, with regard to the Cumbria contribution, it has offerd to pay approximately £166,000 per year for three years, but at the same time proposes to cancel the continuing £70,000 a year that it has provided in recent years. That is a very small net increase, and I do not think that the hon. Gentleman would wish to mislead people into thinking that it was as generous as it at first appeared.

Mr. Michael Jopling (Westmorland and Lonsdale): Will the Minister understand that this is a most disappointing decision? Will he further understand that it would be churlish not to acknowledge his own personal efforts over many months to find a solution that would allow this glorious line to be kept open? To give us some idea of what the successor management has to cope with, can he tell us what is the current loss on the line and will he also say that his own Department will give assistance to potential operators? Does he not agree that what we need now is optimism and endeavour, not the gloomy approach of saying, "It can't be done," which we had from the hon. Member for Bradford, South (Mr. Cryer)?

Mr. Mitchell: I understand my right hon. Friend's feelings and very much recognise them, having been on the line myself and seen how spectacular it is. I know the intensity of local loyalty to the line. However, at present, the revenue to British Rail is just under £1 million a year. British Rail says that the maximum that it could expect to achieve in future is between £1 million and £1·5 million. I have asked it to recheck those figures during the summer. The operating costs are currently £2·7 million, but British Rail expects them to be reduced to £2·1 million, including the amortisation of the Ribblehead repair, through modernisation and replacement with different signalling and new Sprinters. Nevertheless, that means that the loss, even on the basis of modernisation and cutting costs, will be about £750,000 to £850,000 a year. On the other hand, I have to say to my right hon. Friend that since the Severn railway can achieve a revenue of £2 million a year, that puts into proportion the ability of the private sector to do rather better than the current operators.

Mr. D. N. Campbell-Savours (Workington): I have used the line twice in the past couple of months, and whenever I have been on the line, particularly recently, it has been quite busy, in so far as it is part of Cumbria's industrial heritage. May I ask him a simple question? He says that, in choosing between the public and private sectors, it is more economic for the private sector to run the line. If private sector support cannot be found at the end of the day and it does not come forward to keep the line afloat, will the hon. Gentleman have a look at the matter again, or will he simply say that it must close, and that will be the end of it?

Mr. Mitchell: As I said to the House earlier, my right hon. Friend the Secretary of State will make a final decision in the light of any new evidence at the end of November, but, meanwhile, he has made it clear that he is minded to accede to British Rail's request to close. The hon. Gentleman referred to the ridership. In 1983, it was 93,000 a year and in 1986-87 it was 300,000. British Rail says that that figure is now levelling off.

The hon. Gentleman says that I said that it was more economic for the private sector to run the line. When he checks *Hansard*, he will find that I did not say that. I am saying that the private sector has more specialised ability to run this type of operation as a tourist attraction than British Rail. That is demonstrated by the fact that a number of preserved railways have a far higher revenue than British Rail achieves on this famous line.

Mr. Leon Brittan (Richmond, Yorks): While I hope that a private sector solution can indeed be devised, may I ask my hon. Friend to agree that the £500,000 which local authorities were asked to contribute was on the footing that it would lead to the retention of the railway by British Rail? Does he agree that if a private sector solution is to be devised the long time spent on considering this matter could have been used to better effect in devising that rather than leaving it to this last-minute appeal? Does my hon. Friend further agree that although everyone will make every effort to bring about a private sector solution now, there will be deep disappointment that the matter has been handled in this way?

Mr. Mitchell: I understand my right hon. and learned Friend's disappointment. No undertaking was given to the local authorities about their contribution. They were told that it would weigh in the decision, and indeed it did. But it had a considerably reduced effect because, instead of offering £500,000, it turns out that the contribution is £166,000 a year for three years and that at the same time the local authorities intend to cut the regular contribution of £70,000 a year that they have been making for some years. Therefore, the net effect is a small addition. The

[Mr. Mitchell]

conditions included a 20-year guarantee, that this should be a one-off payment only, and that no further request for financial support should be made. Against that background, the contribution looks less generous than it at first appeared.

Mr. Peter L. Pike (Burnley): Does the Minister accept that many people will be not only disappointed but appalled by many of his statements this afternoon? Will he give the assurance that, if the package is forced to go ahead as the only solution acceptable to the Government, British Rail will have the right to operate trains on that line, should the west coast line not be open? Will he further state what will happen if the private sector cannot deliver and maintain that line when the west coast line has a problem?

Mr. Mitchell: I am sorry that the hon. Gentleman should be appalled by anything I said this afternoon. Perhaps he is appalled at the revelation of the losses, which are probably larger than he hoped or imagined. British Rail would have to negotiate the use of the line for diversionary purposes with the new operator of the line. The route would have to be surveyed to ensure that British Rail was satisfied with it for its rolling stock. Those are commercial matters for negotiation between the parties.

Mr. Michael Jack (Fylde): Can my hon. Friend tell me what contribution Lancashire county council has offered to make to this initiative? Does he expect that private individuals will have an opportunity to subscribe to a potential new operating company under these proposals? Is this opportunity for private capital to run such a rail service a precursor of private capital in other spheres of the Department of Transport?

Mr. Mitchell: On the latter point, one is increasingly finding that the private sector can finance the expansion of various forms of rail transport, particularly light rail which is being developed in several parts. I cannot be exactly precise, but I understand that Lancashire county council is paying one third of the £166,000 a year—between £50,000 and £60,000.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): The Minister knows that from the beginning this campaign has been led by people in the area who want to retain a railway service, not a Toy Town railway. He will know that the petition I brought on their behalf referred specifically to the fact that it is not that British Rail cannot run the service but that it has deliberately decided that it does not wish to. To suggest that replacing the service with buses will somehow provide adequate cover for local people is a disgrace for a Minister of Public Transport.

Mr. Mitchell: We are seeking further advice from the TUCC about appropriate bus substitution. It is anticipated that there will be a bus from Giggleswick for the people of Settle to go to Carlisle. I have walked to Giggleswick from Settle and it is not an arduous journey. From Appleby to Carlisle it is envisaged that there will be a bus to Penrith and the journey will take the same length of time. I accept that Settle to Appleby will be a considerably longer journey than otherwise, but since on average only about half a dozen people make that journey for local purposes, as opposed to tourism, the hon. Lady may not feel that it is necessary to spend £750,000 on their behalf.

Mr. Terrence Higgins (Worthing): Is the Minister aware that his efforts to consider the matter with first-hand experience are very much welcomed? We must hope that this proposal is successful. We should also recognise that British Rail must allocate its resources to areas which produce the greatest return to the public.

Mr. Mitchell: My right hon. Friend is correct. British Rail has embarked on the largest modernisation programme since switching from steam to diesel. It is not part of British Rail's remit to organise pleasure rides for people who travel on the line only to enjoy the scenery.

Dr. John Marek (Wrexham): Will the Minister stop all this talk about Toy Town railways and pleasure trips? He must know that the line provides necessary local public transport and that it has the potential to provide transport from the cities of the east midlands and Yorkshire to the heartland of industrial Scotland. If all the goodies and the extra finances that have been provided to try to flog the line off to some capitalist to make a profit had been given instead to British Rail, does the Minister believe that British Rail would have changed its mind and run the railway itself?

Mr. Mitchell: The hon. Gentleman should remember that Cumbria's own figures show that more than 60 per cent. of people use the line purely for the pleasure of going on it. I am grateful to the hon. Gentleman for saying that he expects the line to be so profitable in the private sector that the various gentlemen whom he thought would make profits out of it will appear. I hope that his confidence will be fully justified and that those profits will guarantee the future of the line well into the next century.

Dame Elaine Kellett-Bowman (Lancaster): My hon. Friend will be aware that many of my constituents are extremely interested in the railway and will agree wholeheartedly that there is substantial scope for its redevelopment. If in November, or the four months thereafter, a deal looks even remotely in the offing, may I take it from my hon. Friend's answers that matters will be delayed to enable the deal to be stitched up?

Mr. Mitchell: I have told the House what my right hon. Friend is minded to do. We shall have to see the position when we reach that stage, but there have already been large contributions from the private sector and from the public sector, too. English Heritage will give £1 million. Grand Metropolitan is prepared to put up £25,000 as pump-priming and £100,000 if it is matched by a dozen or so others. Scottish and Newcastle Breweries will also contribute, as will a range of firms including British Aggregates Construction Materials Industry and the Federation of Resin Formulators and Applicators. The House should pay tribute to those private sector firms, which have nothing to gain but which are prepared to put themselves out to provide materials either at cost or at lower prices, and even to provide labour to help to save the Ribblehead viaduct, to which so many hon. Members of the House are attached.

Mr. Peter Snape (West Bromwich, East): Is the Minister aware that this decision will be seen by thousands of British people as an act of political vandalism? Will he

confirm that the Settle-Carlisle line is the least loss-making line of the group known as "other provincial services"; that the sum of £750,000 would not buy more than 100 yards of motorway; that to talk about "railway archaeologists" in relation to the thousands of people who protested about the proposed closure of the line is downright insulting; that to take £1 million from the budget of English Heritage when his Department will not cough up £750,000 is another act of political vandalism for which he and the Secretary of State will be remembered; and that this parsimonious, niggardly and short-sighted decision represents a victory for the Secretary of State for the Environment over the Secretary of State for Transport? The Minister should be aware, knowing the character of the right hon. Member for Cirencester and Tewkesbury (Mr. Ridley), how much the right hon. Gentleman's political victories will cost the Conservative party over the next few years.

Mr. Mitchell: I am not quite sure of the relevance of most of the hon. Gentleman's remarks. I thought that he was a friend of British Rail, that he wanted it to enter the 21st century with massive investment in modernisation and not try to run a tourist attraction that makes a loss year by year. Losses on the line are such that, during the non-tourist season, it would pay British Rail to hand a 20 quid note to each person and ask them not to travel on the train.

Mr. Cryer: On a point of order, Mr. Speaker. In view of the wretchedly unsatisfactory nature of the answer to my question, I intend to raise the matter on the Adjournment at the earliest opportunity.

Following is the list of public and private bodies:

English Heritage has offered up to £1 million or 40 per cent. of eligible costs—whichever is the less—for the restoration of Ribblehead viaduct subject to certain conditions, notably that the line should stay open to provide a means of access to towns of historic significance.

Grand Metroplitan is willing to help initiate any project associated with the line which promotes both employment and tourism opportunities. Grand Met has offered to contribute up to £25,000 as pump-priming for such a project, but is prepared to raise that to £100,000 should the offer be matched by a dozen or so other private sector companies.

Scottish & Newcastle Breweries plc has indicated that it would be prepared to consider a sponsorship arrangement, worth up to £25,000, for the branding of either a viewing and restaurant car or a refreshment car.

The following commercial firms, many of them under the auspices of the British Aggregate Construction Materials Industries and the Federation of Resin Formulators and Applicators, have offered to supply materials (and, in some cases, labour) at reduced cost to help with the restoration of Ribblehead viaduct:

BACMI Members:

ARC Ltd., Chipping Sodbury, Avon
Tilcon Ltd., Knaresborough, North Yorkshire
Hargreaves Quarries Ltd., Pickering, North Yorkshire
Castle Cement Ltd., Peterborough, Cambridgeshire

FeRFA Members

Advanced Sealants Ltd., Wilton, Wiltshire
V. A. Crookes Ltd., Sheffield
Environmental and Structural Maintenance Ltd., Andover, Hampshire
John Lelliott Structural Renovations Ltd., Raynes Park, Surrey
Protective Services Contracts Ltd., Glasgow
Prodorite Ltd., Wednesbury, West Midlands
R. B. R. Contract Services Ltd., Wooburn Green, Buckinghamshire
Structoplast Contracts Ltd., Leatherhead, Surrey
Balvac Whitley Moran Ltd., Liverpool
Boston Chemical Co. Ltd., Wetherby, West Yorkshire
FEB (Great Britain) Ltd., Manchester
Protective Materials Ltd., Leatherhead, Surrey
Resdev Ltd., Elland, West Yorkshire
SBD Construction Products Ltd., Rickmansworth, Hertfordshire
Sealocrete Ltd., Southampton

Other Firms

BarFab Reinforcement, Smethwick, West Midlands
British Steel Corporation (General Steels) Redcar, Cleveland
Servicised Ltd., Slough, Berkshire

The Rural Development Commission is prepared to consider an application for a grant of up to £100,000 from the rural transport development fund for the restoration of Ribblehead viaduct. This offer has been made because the commission believe that continued rail services will afford benefits to the rural communities. The commission will also consider on their merits further projects which could benefit the social and economic development of the area.

The Countryside Commission considers that the line can improve access to the countryside and bring significant benefits to the rural communities. It is in principle prepared to make grants up to £100,000 to match capital investment in tourism and related projects by other bodies, or to support marketing initiatives and the provision of new passenger services on the line.

Broadcasting Standards Council

3.55 pm

The Secretary of State for the Home Department (Mr. Douglas Hurd): With permission, Mr. Speaker, I should like to make a statement about the Broadcasting Standards Council.

I am glad to tell the House that Sir William Rees-Mogg has agreed to serve as the first chairman of the Broadcasting Standards Council.

Mr. Dennis Skinner (Bolsover): Tory apparatchik.

Mr. Speaker: Order.

Mr. Hurd: The unique power of the broadcasting media to shape perceptions and their influence over attitudes and actions are widely recognised. We drew attention in our election manifesto to public concern over the display of violence and sex on television. In line with that commitment, we now propose, by setting up the new council, to srengthen standards in this sector and to reinforce the work of the individual broadcasting regulatory bodies.

The Government will put forward proposals to the House for placing the new Broadcasting Standards Council on a statutory basis. We intend that it should be set up soon and function for a time on a non-statutory basis. During this settling-in period, it will, first, draw up, in consultation with the broadcasting authorities and the other responsible bodies in broadcasting, cable and video, a code on the portrayal of violence and sex and standards of taste and decency.

Secondly, it will monitor and report on the portrayal of violence and sex, and standards of taste and decency in television and radio programmes received in the United Kingdom and in video works.

Thirdly, it will receive, consider and make findings on complaints and comments from indivuiduals and organisations on matters within its competence and ensure that such findings are effectively publicised.

Fourthly, it will undertake research on matters such as the nature and effects on attitudes and behaviour of the portrayal of violence and sex in television and radio programmes and in video works. Fifthly, it will prepare an annual report, which the Home Secretary will lay before Parliament and publish.

In addition, the Government will consult the council on the implications, for the matters within its remit, of the negotiations under way in Europe for the regulation of transfrontier broadcasting, and on the implementation of the result of those negotiations.

Sir William Rees-Mogg has suggested that the council might function best if it were to preview some imported fictional material before it is broadcast. I have therefore asked him to explore, with the relevant broadcasting bodies during this pre-statutory period, an arrangement under which they would make available to the council, before transmission, fictional material acquired from abroad that is believed to give rise to special concern, and on which accordingly they would find the council's prior comments helpful.

Sir William will discuss with the broadcasting authorities how best they should publicise the council's views on programmes and programme standards. The BBC, IBA, Welsh Fourth Channel Authority and other relevant regulatory authorities will remain responsible for exercising their powers and duties under existing provisions, as will the Broadcasting Complaints Commission.

The Government will frame their proposals for the statutory powers of the new council in the light of progress made meanwhile in making sensible arrangements for co-operation between the new council and the broadcasting authorities.

The administrative arrangements for the new council are well in hand. Further details, including its membership, will be announced as soon as possible.

Mr. Roy Hattersley (Birmingham, Sparkbrook): Is the Home Secretary aware that, although his statement was clearly intended to be bland, it will cause great disquiet among those who believe in the freedom of broadcasting and broadcasters? No one seriously believes that the new council will simply be the combination of think tank and complaints box promised in the Tory manifesto. It is the thin end of a highly authoritarian wedge and we shall continue to resist every attempt by the Government to interfere with free broadcasting in a free society.

Is the Home Secretary aware that the power to vet and veto individual programmes which he has trailed today as the wish of Sir William Rees-Mogg is wholly unacceptable? The idea of a further regulatory body superimposed on the BBC and IBA, which act under legislation and charter to observe acceptable standards, is simultaneously dangerous and absurd. The additional power to regulate gives the Government the chance to impose their wishes on broadcasting. That is an unacceptable practice in a free society.

I warn the Home Secretary that fears about his real intentions will be heightened by the appointment as chairman of Sir William Rees-Mogg. Sir William played an ignoble part in the suppression of the "Real Lives" programme when he was vice-chairman of the BBC, and he is one of the few people of any standing to have publicly condemned a television programme—"Airbase"—and then gone on to admit that he had not seen it. Moreover, he has openly—most recently yesterday afternoon with the *Daily Mail*—demanded the right as chairman of the new council to vet and veto individual broadcasts. He is a wholly unsuitable chairman. He does not have the support of the Opposition and he will not have the confidence of the broadcasters. Only a weak Minister would have appointed a chairman who first announced his terms of reference in public and now proposes to negotiate them after his appointment has been announced to the House today.

I emphasise once again that to give the Broadcasting Standards Council regulatory powers is wholly unacceptable to Opposition and broadcasters alike. It will be resisted in the House and I believe that broadcasters will not co-operate until the legislation has passed through all its stages in the Commons and in the House of Lords.

In the light of that, I wish to ask the Home Secretary five specific questions. First, will he give a categorical assurance, without any doubt or attempt to equivocate, that the BSC will cover only matters relating to sex and violence—that is, matters of so-called taste and not matters of politics? Representatives of the Conservative Back-Bench broadcasting committee said on television yesterday that the powers of the council must be extended to other matters in addition to sex and violence—[HON.

MEMBERS: "Hear, Hear!"] I want an assurance that the Home Secretary will not succumb to the "Hear, Hears" that we have just heard from Conservatives below the Gangway.

Secondly, what powers will the council have over video sales and the commercial use of videos? For instance, is Sir William to spend his evenings in assorted hotel bedrooms deciding what is appropriate for broadcasting in that arena, or is commercial video to be excluded from the terms of reference?

Thirdly, how will the council's judgment affect the broadcasting of current affairs? If it is concerned with violence, will Sir William have a view about what can be broadcast concerning murder and mayhem in Belfast and Beirut?

Fourthly, will the Home Secretary give examples of the kind of programme that concerns him? For his announcement to have any veracity or honesty, he must say what it is that concerns him. We must have examples of the type of programme that it is intended that Sir William should suppress.

Finally, is not the truth of the matter that the programmes to which the Government object are concerned not with sex or violence or taste but with the Government's political inconvenience? We believe that the new body will eventually be expanded to inhibit those who dare to criticise the present Administration.

Mr. Hurd: The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) spent a good deal of last week in the media and in his letter to me stirring up confusion on this subject, and it is clear from his questions that he has managed thoroughly to confuse himself. He has tried to invent a link between the straightforward carrying out of an election manifesto pledge and what he erroneously believes to be the Government's intention to impose their wishes on broadcasting. His attempt has entirely failed, as the outcome will show.

The right hon. Gentleman's criticisms, following those of one or two broadcasters, of Sir William Rees-Mogg personally are grossly unjust. Had we selected a person who knew nothing whatever about broadcasting or about the creative life of this country—[HON. MEMBERS: "You have."]—the right hon. Gentleman would have had some grounds for irritation and criticism. It is clear that the main criticism of my choice for this appointment is that, as a former editor of *The Times*, a former vice-chairman of the BBC and actual chairman of the Arts Council, Sir William knows a great deal about the matters in hand. I should have thought that that was a qualification rather than a disqualification.

The right hon. Member for Sparkbrook asked a number of specific questions. I confirm, as our manifesto and all that we have said on the subject made clear, that the setting up of the Broadcasting Standards Council has nothing to do with politics—*[Laughter.]*—or political bias and nothing to do with the treatment of political matters by the broadcasters.

Mr. David Winnick (Walsall, North): Of course not.

Mr. Speaker: Order. There is no point in shouting from a sedentary position. It takes up time and it does not help.

Mr. Hurd: Some of my hon. Friends will suggest that the council should concern itself with such matters and there will be plenty of time to discuss those suggestions —[HON. MEMBERS: "Oh!"]—but that is not the Government's intention.

As regards video, contrary to what has appeared in parts of the press, we have had considerable discussion with the broadcasters about the scope of the new council. One of the points that the broadcasters made most insistently was that the realm of video must be within the council's remit if it is to deal effectively with the matters with which it is supposed to deal. As my statement today made clear, the council will be concerned with the portrayal of sex and violence.

In answer to the right hon. Gentleman's last point, in my view two of the biggest social changes in this country in recent years have been the immense increase in the amount of time that people, especially young people, spend watching the television and, secondly, a considerable increase in violence. Research on the subject is inconclusive. That is why one of the points with which the council will deal is the provision of research. Nevertheless, even if a link between those two major changes in society —the growth of television viewing and the increase in violence—exists only in a small number of cases, we must pay proper attention to it and strengthen the means by which we deal with it. The creation of the Broadcasting Standards Council has that objective in mind.

Several Hon. Members *rose*——

Mr. Speaker: Order. I remind the House that this is a private Members' day and that a large number of Back Benchers wish to take part in the subsequent debate.

Mr. Tony Banks (Newham, North-West): This is a very important issue.

Mr. Speaker: It is indeed, but it will be bad luck for Back Benchers if they cannot be called in the next debate. I ask hon. Members to put single questions and to be brief.

Mr. Ivan Lawrence (Burton): Does my right hon. Friend agree that none of this would have been necessary if the broadcasting authorities had exercised the necessary restraint and control over the unacceptable amount of television violence and sex to which society has been treated in recent years?

Mr. Hurd: The broadcasting authorities do pay attention to this. As we said in our manifesto, we believe that responsibility for enforcing broadcasting standards must rest with the broadcasting authorities, but they need reinforcing by the setting up of the Broadcasting Standards Council.

Mr. Alfred Morris (Manchester, Wythenshawe): Is the Home Secretary satisfied that the council will in no way conflict with the existing role of the BBC's governors and the members of the IBA? What real consultation did he have with the BBC and the IBA before reaching his decision and making his announcement today?

Mr. Hurd: In October last year, we undertook considerable consultation with all the broadcasting authorities, and I have a wedge of correspondence resulting from that. Last week, we went over the ground with them again and discussed the contents of the statement. Those discussions will be carried forward by the chairman.

Sir Peter Hordern (Horsham): Is my right hon. Friend aware that the Broadcasting Complaints Commission meets at lengthy intervals and on rare occasions and that it sometimes takes many months for a complaint to be dealt with properly and findings produced? In his review of the commission's work, could he also tighten up the arrangements for broadcasting complaints?

Mr. Hurd: I note what my hon. Friend says. As he knows, the Broadcasting Complaints Commission has a narrow remit and, on the whole, Lady Anglesey and her colleagues perform it well. During the pre-statutory period, they will continue to do their job and no doubt they will take note of my hon Friend's remarks. One of the things that need to be considered before drafting legislation is how the Broadcasting Complaints Commission could be subsumed in the new standards council.

Mr. Robert Maclennan (Caithness and Sutherland): If the Home Secretary takes the view that there is a need to tackle sex and violence further, why has he thought it appropriate to create a new quango rather than examining the regulation or operation of the two authorities themselves? What does he intend to do to secure the freedom of broadcasting of current events—a point to which he has not yet addressed himself?

Mr. Hurd: I believe that the second point is the responsibility of the broadcasting authorities and it would be dangerous territory for any Government of any party to enter. That is why I replied as I did to the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley). As the hon. Gentleman knows, over the past year the broadcasting authorities have examined their own arrangements and codes for dealing with violence in particular—partly in response to two rounds of representations from me. For the reasons that I have given, I believe that there is a need for a clearer focus for public concern on these matters than the existing arrangements allow, and the Broadcasting Standards Council will provide that.

Mr. John Gorst (Hendon, North): I suggest to my right hon. Friend that what is needed is not so much a Pope who will issue encyclicals and offer prayers as an ombudsman who can rectify grievances both before and after. Why has my right hon. Friend confined himself to standards relating solely to sex and violence when standards of truth and accuracy are equally matters of concern to the public?

Mr. Hurd: I know that that is my hon. Friend's view and, as I have said, he will have full opportunities to develop it. The BCC deals with accuracy and fairness as they relate to individuals and their grievances. For the reasons that we gave in our manifesto and during the election campaign, we believe that the new standards council ought to concentrate on excessive sex and violence and their portrayal.

Mr. Norman Buchan (Paisley, South): Does not this announcement come at the end of a lengthy period of attack and assault on public service broadcasting? Is not this an appalling step to take? Could not the Home Secretary have asked the Prime Minister to do her own dirty work? Clearly, she is not concerned with standards, as she has been forcing upon us deregulation in both television and radio. For radio, light or no regulation is recommended. Is not the truth that the Government are not concerned with standards at all? They are worried only about what they would regard as a dirty play; under the Prime Minister's proposals, all the rest can be pap. Is not that combination of the patrician and the philistine appalling for standards in this country? Is it not the case that under this Government censorship has increased, is increasing and should be abolished?

Mr. Hurd: The hon. Gentleman has the balance completely wrong. In a whole range of policy work, we are trying to combine and reconcile the deregulation of radio and television and enlargement of choice for the individual —for the hon. Gentleman's constituents—that modern technology now makes possible with the maintenance of the standards that we expect in this country. It is a huge task—international as well as national. Today's announcement is part of that, but throughout our policy work we are concentrating on those two objectives, and the hon. Gentleman should recognise that they can indeed be reconciled.

Mr. Richard Shepherd (Aldridge-Brownhills): Is it not a little curious that, some years after giving up pre-censorship of the London theatre by the Lord Chamberlain's office, we are to enter into similar arrangements for broadcasting? Will my right hon. Friend treat very cautiously Sir William's request for prior censorship of programmes, because it would undermine the role with which the IBA and the BBC governors are charged?

Mr. Hurd: I understand my hon. Friend's point. If he reads my statement carefully he will see that I am proceeding cautiously—indeed, step by step. I think that it is reasonable that Sir William should discuss with the broadcasting authorities the question whether it would be sensible, as I personally believe it would, to have some arrangements whereby the new Broadcasting Standards Council could preview certain types of material—particularly imported material. It could then make a finding—not act as a censor—at the same time as a broadcast, rather than afterwards.

Mr. Bruce Grocott (The Wrekin): Can the Home Secretary confirm that, under the present arrangements, anyone making a controversial programme in independent television is bound to consult the Independent Broadcasting Authority? Will he further confirm that the IBA has very carefully laid-down and detailed programme guidelines, contained in a lengthy booklet? Will he explain how the new arrangement will work if the Broadcasting Standards Council gives one piece of advice to the producer of an independent television programme and the IBA gives another? Which advice should the producer take?

Mr. Hurd: That is not quite the position. It is perfectly true that the IBA has a tradition of previewing, which the governors of the BBC do not have. That is one of the complications in the arrangements. For the great majority of material, the new body will receive complaints and comments after a broadcast, as the public will not be aware of the contents of a broadcast until after it has been transmitted. It will review those comments and discuss them with the broadcasters and then make a finding. One aspect that will need to be discussed during the settling-in period—and eventually settled by this House in legislation

—is how the finding is to be effectively publicised. Presumably, it will be in the same slot as the original broadcast.

Mr. Anthony Nelson (Chichester): Is my right hon. Friend aware that his statement will be very warmly welcomed? Does he agree that nothing could be more out of touch with the mood of the public than the defence by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) of television companies' right to depict gratuitous and repulsive scenes of violence? Will he bear in mind that it is important that the new body should not act as a cushion against complaints for the broadcasting companies and that the test will lie in the measures and in the new body's powers to enforce its views as well as speaking out when it regards material as unacceptable?

Mr. Hurd: I agree with my hon. Friend's last point. His first remark was also true. It would be a mistake for the House to underestimate the deep concern felt on this subject, particularly by parents. It may not be felt by huge numbers, but it is very deep. I recall a meeting in my constituency a few years back at which parents expressed their anxiety in passionate terms. If, through the council, we can provide such people with a focus for their anxieties and an assurance that they will be properly followed up, it will be a considerable advance.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): Who is more out of touch with public taste than Sir William Rees-Mogg and establishment retreads? Does he know much about young people's attitudes to violence and sex? Given that the Home Secretary has made this decision, will there be a regional dimension to the Broadcasting Standards Council? Will he reassure us on the weasel words about the arrangement that Sir William Rees-Mogg will make with the IBA and the BBC authorities? Can we be sure that it will not be one in which he will intrude on their regulatory responsibilities?

Mr. Hurd: Those involved in the discussions that are now to take place will try to illuminate the last point. I am sorry that the hon. Gentleman is so patronising about Sir William Rees-Mogg, whose qualifications for holding views and handling these matters sensibly are very great indeed. I am sorry that the hon. Gentleman takes the opposite view. We shall announce to the House the membership of the council. I am very conscious of the Welsh aspect of all broadcasting matters; my predecessor but one taught me that in my cradle, from his own experience. I do not want a council that is regionally balanced or has representatives from one part of the community rather than another. We shall seek, in general, a balance. I hope that the hon. Gentleman will be less patronising about the chairman when he sees the results.

Sir Trevor Skeet (Bedfordshire, North): I welcome the appointment of Sir William Rees-Mogg, largely because of his experience in advertising and the media. There is, however, one difficulty—three bodies will have overlapping powers. Will my right hon. Friend be careful with the guidelines and ensure that they are published before any decisions are taken, so that Sir William has the clearest view of the line that he should take in appropriate cases?

Mr. Hurd: I agree with my hon. Friend. It is sensible that there should be this period when these matters are sensibly discussed before the House is asked to take a decision on the statutory consequences. When we frame our proposals for legislation, we shall take account of the progress that has been made in the discussions between those bodies.

Mr. Brian Wilson (Cunninghame, North): If obscenity is in the groin of the beholder, what possible qualification does Sir William Rees-Mogg have to act as the nation's groin? Does the right hon. Gentleman agree that the figure of the high Tory sheriff of Somerset sitting in a darkened room with a copy of *The Times* in his lap and watching French movies will rapidly become as big a figure of national ridicule as the Lord Chancellor once was? In the interests of the right hon. Gentleman's formerly liberal reputation, will he retreat from this nonsense, which is a censorious and dangerous path?

Mr. Hurd: The hon. Gentleman misses the point, which is that this body will act as a focus for public concern on these matters—*[Interruption.]* If the hon. Gentleman, in the intervals of his sniggering, believes that no parent in his constituency is seriously worried about the portrayal of violence on television and does not want a better way than exists at present for expressing concern, he is grievously out of touch.

Mr. Michael Fallon (Darlington): I welcome my right hon. Friend's announcement. Will the criterion of decency include the responsibility of programme makers in respect of legal proceedings?

Mr. Hurd: My hon. Friend is tempting the new council down a dangerous path. I would much rather it concentrated on matters where public concern was greatest, and the discussions will concern those aspects.

Mr. Nigel Spearing (Newham, South): Although there may well be justifiable concern about the standards of certain television programmes, bearing in mind the expressed view of the right hon. Member for Chingford (Mr. Tebbit) and the believed views of the Prime Minister, does the Home Secretary agree that this is not the way to tackle the matter? Surely it must be tackled by cross-party and cross-House agreement. Are there not different issues with regard to videos? Will the council have physical or legal control over what might appear via satellite?

Mr. Hurd: The hon. Gentleman confuses two things. It is perfectly reasonable for my right hon. Friend the Member for Chingford (Mr. Tebbit), as chairman of the Conservative Party, or for Ministers or shadow Ministers, to express strong views about particular broadcasts. There is nothing reprehensible about that. Broadcasters and journalists throughout the media express strong views about us. There is no reason why that should not be a two-way business. That process, which occurs all the time, has nothing to do with the Broadcasting Standards Council.

I have dealt already with the point about videos. There is nothing in the proposal that will alter the "Bright Act" —the Video Recordings Act 1984—on the control of video. Given the amount of time that viewers spend watching video, as opposed to broadcasting, the new Broadcasting Standards Council must be able to take account of the content and standards of video when making its report or conducting its research, and that will happen.

[Mr. Hurd]

The hon. Gentleman raised another question, which I have forgotten——

Mr. Spearing: Satellite.

Mr. Hurd: I have mentioned the international dimension. We are negotiating in Strasbourg and discussing in Brussels the possibilities of a Council of Europe treaty and a Community directive to deal with these matters in so far as they originated in Europe, and that is very important. In my statement, I dealt with the relationship between that process and the new council.

Several Hon. Members *rose*——

Mr. Speaker: Order. I again remind the House that this is a private Members' day. I shall call two hon. Members from each side and then the Opposition Front-Bench Spokesman; then we must move on. There will be other opportunities to discuss this matter.

Mr. Gerald Howarth (Cannock and Burntwood): I reassure my hon. Friend that the great majority of ordinary households will warmly welcome his decision, not as an attack on freedom of expression but as a check on over-mighty broadcasters, in the hope that the council can hold broadcasters to their self-professed standards. Will my right hon. Friend reassure the House that the Government intend to bring broadcasters within the scope of the Obscene Publications Act 1959?

Mr. Hurd: I entirely agree with the phrasing of my hon. Friend's first point. The answer to his second point is yes —that is another manifesto commitment which we shall fulfil.

Mr. Chris Mullin (Sunderland, South): Whose idea was it to appoint Sir William Rees-Mogg? Was the job advertised, or did his name just emerge?

Mr. Hurd: It occurred to me as a good one, and I am glad that it has found general favour.

Mr. Chris Butler (Warrington, South): My right hon. Friend may be aware that there is one cable channel that broadcasts several hours of pornography every day. Will the new council correct that and, if so, over what period?

Mr. Hurd: I am not quite sure—is my hon. Friend referring to Channel 4? *[Laughter.]*

Mr. Butler: Cable.

Mr. Hurd: Cable. Some of my hon. Friends have extreme views about Channel 4. Cable will certainly come within the council's remit. We have discussed the consequences of that with the Cable Authority, and Sir William Rees-Mogg will consider it further.

Mr. Dennis Skinner (Bolsover): The Home Secretary said that parents could be affected by these programmes. As a parent, has he been affected? Has any member of the Tory Cabinet been affected? The right hon. Gentleman must answer that question as a parent. It is no use blaming all these others. Will he answer that question? How does this restriction of liberty fit in with the Tories' oft-proclaimed arguments about freedom of choice?

Mr. Hurd: I have answered the second question already. We shall lay before the House, certainly during this Parliament, a massive broadcasting Bill to enlarge freedom of choice. At the same time, we want to preserve and increase standards. The Broadcasting Standards Council will address itself to the second of those objectives.

Most of our children draw a perfectly good frontier in their minds between what they view and the reality of the outside world, but some children find that difficult or impossible, and their actions outside are affected by what they view. Even if they are relatively few, it can be a desperate business. We must strengthen our fortifications at this point.

Mr. Hattersley: Is the Home Secretary aware that his protestations that there is no desire to have any political influence over the BBC is totally undermined by the identical answers that he gave his hon. Friends? Twice he was asked whether he would extend the authority's powers to interfere in matters of politics and current affairs and he answered, "There will be plenty of time to discuss those suggestions in the future." I have no doubt that there will be, and that the Tory party will want them discussed. I have no doubt that the Home Secretary will capitulate to those influences as he has capitulated to them in the past.

Mr. Hurd: I was being courteous to my hon. Friends and pointing out that there will be plenty of parliamentary time to discuss these matters. I went on to say, as the right hon. Gentleman would have known if he had not been scribbling at the time, that I did not believe that that political path was one down which the new council should go. Handling accusations of political bias is essentially a matter for the broadcasting authorities. The right hon. Gentleman has been trying to stir up a storm in a teacup. Certainly, the waters of the relationship between the Government and broadcasters are a bit choppy at present. I hope and believe that they will now subside to a more normal level and that, as that happens, the Broadcasting Standards Council will be able to work out sensible arrangements for co-operation.

KP Foods Factory (Halifax)

4.30 pm

Mrs. Alice Mahon (Halifax): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"The decision to close KP Foods factory, with a loss of 1,000 jobs."

On Thursday morning, without any warning or prior consultation, 950 of my constituents, employees of KP Foods, part of United Biscuits, of which Sir Hector Laing is chairman, were told that the decision had been taken to close the Halifax factory. That was despite the fact that, last year, KP had a trading profit of £36·8 million—up 23 per cent. on the previous year. The Halifax factory played a great part in that profitability by increasing productivity.

If the closure goes ahead, there will be a net loss to the community of £2·5 million, an increase in unemployment benefit of £1·6 million, and an knock-on effect leading to the loss of a further 250 jobs. KP Foods provides nearly 1,000 jobs in a deprived part of Halifax. Unemployment in that area is already running at over 12 per cent. KP is the only significant employer of women in the area. Although wages are low, the factory provides the only opportunity for employment.

The skilled and loyal workers at KP have done everything that the Government have asked, yet they are to be scrapped because, once again, British manufacturing is up for sale. It is a telling indictment of the Government and their lack of any coherent policy on manufacturing and the work force that a catastrophe of that magnitude can occur, when they are giving highly publicised support to Business in the Community. Halifax has been a major part of that focus.

Business in the Community was launched with royal patronage and enthusiastically supported by the whole town. Because of disastrous Government policies, the town has suffered massive job losses, with the social consequences that they bring. Sir Hector Laing is chairman of Business in the Community. If the factory closes, he should resign, because he will have betrayed the trust that was placed in him.

It is both tragic and ironic that, only days ago, I asked the House for a debate on the hostile Nestlé bid for Rowntree—the largest private employer in Halifax. If Rowntree goes, another 3,000 jobs will be lost. The Minister should tell us what the Government plan for manufacturing in the run-up to 1992. Many Opposition Members believe that there will be dozens of UK Foods and Rowntrees in every constituency, unless the Government act soon and give a commitment to protect British jobs. I urge you, Mr. Speaker, to consider a debate.

Mr. Speaker: The hon. Lady asks leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that she believes should have urgent consideration, namely,

"The decision to close KP Foods factory, with a loss of 1,000 jobs."

I can well understand the concern that the hon. Lady has expressed on behalf of her constituents, but, as she knows, the criteria that are laid down require me to decide whether to give the matter precedence over the orders set down for today or tomorrow. I regret that the matter that she has raised does not meet the criteria. Therefore, I cannot submit her application to the House.

Cruise Missiles

4.33 pm

Ms. Joan Ruddock (Lewisham, Deptford): On a point of order, Mr. Speaker. I raise a matter that was reported in *The Independent* newspaper. Is it in order for the Secretary of State for Defence to say on television tonight that Britain is to have a new air-launched cruise missile, when the Minister has repeatedly denied to the House that a decision has been taken? The Minister chose not to report on his return from the Nuclear Planning Group, and the House has not had an opportunity to debate whether the nation should have a new generation of nuclear weapons, especially air-launched cruise missiles.

Mr. Speaker: Order. I saw that report, but, of course, we do not know what the Secretary of State will say until he has made his broadcast.

[Mr. Speaker]

Planning Controls

Mr. Speaker: Because of a late start and the fact that 15 hon. Members wish to take part in the debate, I again ask for brief contributions.

4.34 pm

Mr. Sydney Chapman (Chipping Barnet): I beg to move,

That this House welcomes Her Majesty's Government's continuing commitment to protect the Green Belts; supports its initiatives to regenerate the inner cities and other areas of urban dereliction; and recognises that the planning system must be flexible enough to encourage and facilitate development on unused urban land while ensuring the protection of the countryside.

You will know, Mr. Speaker, that I am fortunate to have this debate, having won the ballot for private Member's motions. I shall raise subjects relating to town and country planning in general and our planning control system in particular. Such subjects are important, timely and topical, particularly in view of last week's speech by the Secretary of State. I shall raise two matters—green belt policies, and the sites that are suitable or unsuitable to meet housing demands for the rest of the century—and make two suggestions on changes that should be made to our development control system.

Many of the town and country planning problems that we face today have been brought about through the success of Government policies—for example, sustained economic growth and the spread of home ownership—and, of course, dramatic changing social and demographic factors. I welcome the Government's continuing commitment to the protection of green belts. I say without equivocation that the green belt policy has been the undoubted success of our post-war planning system. Green belts are a milestone in English planning history. Not least, they command wide public support. They have not only succeeded in checking the outward sprawl of our conurbations but assisted urban regeneration.

That point was made in a report from the Environment Select Committee in the last Parliament. The Committee stated that green belts should be sacrosanct. I pay tribute to the work of that Select Committee. It brought out some important reports not only on green belts and land for housing but on the operation and effectiveness of the wildlife and countryside legislation, and the appeals system and major public inquiries. I pay tribute to my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi) who chaired and chairs that Committee.

If anyone should doubt the need for a green belt policy in our country, I refer them to the gargantuan concrete jungle that is greater Tokyo. It is an appalling mess. About 30 million Japanese people live within 30 miles of their Emperor's palace in the heart of the city. At least we can say that His Imperial Majesty is in physical touch with a great number of his subjects. Greater Tokyo is the result of the appalling failure to have a sound and sensible planning system. Thirty million is nearly twice the population of Australia.

To protect our green belts is not to plead selfish parochialism. It is in the national interest to leave green and pleasant countryside accessible to city dwellers. I am glad that, under this Government, the confirmed green belt area has more than doubled to 4·5 million acres. That represents 14 per cent. of England's land mass. Of course, the green belts are entirely in England. That 4·5 million acres represents only about 20 per cent. of England's countryside. Even accepting that other parts of the countryside—national parks, areas of outstanding natural beauty, sites of special and scientific interest and so on—are afforded protection of one degree or another, most of our countryside is outside statutorily protected areas.

I want to examine the future need for housing and where that housing demand should be met. I am conscious of the fact that the problems relating to this issue are at their most acute in the south of Britain and not necessarily just in the south-east.

Mr. Quentin Davies (Stamford and Spalding): Before my hon. Friend proceeds with the substance of his speech, may I ask whether he has noticed the almost complete absence of the Labour party and the so-called alliance parties from the Chamber? We have only three Labour Members here—the statutory minimum of two plus one—and one representative from the alliance parties. Does my hon. Friend agree that that attendance is a most interesting commentary on the concern felt by those parties about the preservation of our countryside and urban renewal?

Mr. Chapman: It is obvious that my hon. Friend is more of a mathematical expert than I, and I am sure that he is right. I like to be charitable to my political opponents and I am convinced that their numbers today are proportionate to the seats that they hold in southern Britain.

Mr. Clive Soley (Hammersmith): Let me put the hon. Gentleman out of his misery. I suggested to a number of my hon. Friends that they should not attend the debate because I believed that we should leave it to the Conservatives, who are so divided on this issue. The more of them who speak the better, and they should keep it up.

Mr. Chapman: I shall not tempt providence, so I shall say nothing.

I agree with a number of the points raised by my right hon. Friend the Secretary of State in his speech last week. I believe that the increased demand for housing in southern Britain in the years to come will arise not because of a significant increase in the population, but because of a need to cater for an increase in the number of households. An increasing number of young people leave their parents' homes and set up homes of their own before getting married. Further and alas, there are more divorces and broken marriages and, whereas one household used to suffice for a family, two households are now needed. Thankfully, more elderly people are living longer and they require accommodation.

Although I agree with my right hon. Friend that there is no net immigration of people from other regions to the south-east, I believe that there is a significant net immigration of people to London from abroad. I believe that that factor must be taken into account.

I welcome the fact that, in the past few years, there has been an increasing proportion of development on recycled land in the south-east. My right hon. Friend informed us that 55 per cent. of housing has been built on such underused urban areas.

Mr. David Martin (Portsmouth, South): I hope that my hon. Friend will address the problems faced by places such as Portsmouth, which has little open green space. Residents are already worried about the amount of space that has been taken up within the city, rather than being left open and green. Yet those in the countryside who live in homes that were once green fields criticise those who want to move into similar open space around them. Is it not true that today's conservationist is yesterday's developer and yesterday's home buyer?

Mr. Chapman: My hon. Friend makes an important point and I intend to return to that later. People in towns and cities are keen that they should be left their green spaces, which are important, but space should also be left for people living in the metropolitan suburbs. When I spoke about 55 per cent. of housing being built on urban land I meant recycled urban land, which was often under-used or derelict, and not the parks and open spaces of those areas.

I do not believe that anyone in the Chamber would say that there is no need for house building on green field sites, but we need to be convinced, and we are entitled to ask, "How much—where and when?" before we allow building to take place in the countryside. I also believe that we are entitled to be convinced that the maximum amount of house building—within practical reason and taking account of demand—will be in existing urban areas. To that extent, I want the Government to continue their policies of urban regeneration and the development of the inner cities. I believe that the Government have made great strides in that respect. I accept that the process was started some years ago by the right hon. Member for Bethnal Green and Stepney (Mr. Shore), when he was Secretary of State for the Environment, who established urban regeneration initiatives. However, I believe that such regeneration has been given a great push forward by the Government, and I welcome that.

I still believe that there is much more land that can be sought out, unlocked and developed. By that I mean unused and underused urban land and not the necessary green spaces of our urban areas.

Mr. Soley: Does the hon. Gentleman agree with the Secretary of State that there should be less planning at local level because the housing market must adjust in rural areas to take in people who have left the cities? Alternatively, does he agree with the right hon. Member for Henley (Mr. Heseltine), who believes that planning should not be conducted in such a manner and that the Secretary of State should not override planning decisions as he has done? The hon. Gentleman should deal with that, because it is the essential issue that should be addressed.

Mr. Chapman: The hon. Gentleman must be a little more patient, because I hope to deal with that issue later, and I shall try to get to it as soon as possible.

I welcome the establishment of the urban development corporations, the simplified planning zones, and so on. About 80 per cent. of us live in urban areas, but so long as some of those areas are a disgrace to any nation that calls itself civilised, people will want to get out and live beyond the suburbs.

The Government must show in their urban policies that there can be inestimable benefit from living in urban areas, such as easy access to vital services and leisure facilities, and much less time taken in getting to and from work. There must also be a much more effective use of existing housing stock in the urban areas.

Mr. Michael Fallon (Darlington): Surely the difficulty that faces the "southern comfort" lobby is that the urban areas on which my hon. Friend wishes more houses to be built are largely concentrated in the north, whereas the land on which housing is needed is concentrated in the south, where the jobs of the future are increasingly likely to be located. If further planning restrictions are imposed, what hope is there for a large number of those 600,000 new homes which are required in the south being made available for people from other regions who want to seek work there?

Mr. Chapman: My hon. Friend raises an important point. I do not suggest that there are any glib or easy solutions to the problem. I believe that in the next decade the problem will be at its most acute in southern Britain, and it is on that area that I wish to concentrate.

I do not want to be party to any discussion of the possibility of people going from the south to the north or vice versa. I have based my remarks on my right hon. Friend's statistics—he is advised by experts. Although it is easier to find unused land in the urban areas of the north, I believe that if we adopt the right policies in the south we can form a overall national policy, which will benefit the country. Although the problem is more acute in the south, there is still much unused urban land that can be tapped in London and in other southern towns.

Mr. Robin Squire (Hornchurch): On that specific point, does my hon. Friend confirm that it is important that inner London retains its areas of greenery and that we try to avoid repeating the mistakes of the 1960s when we overdeveloped a fair part of inner London, with obvious social consequences?

Mr. Chapman: I agree with my hon. Friend the Member for Hornchurch (Mr. Squire), and I shall refer to those matters.

Apart from trying to make rundown estates and difficult-to-let public sector housing more attractive to people, further initiatives can be taken in tapping the spare accommodation in our towns and cities. That can be done through more encouragement to the private rented sector. A week ago we debated the proposal in the Finance (No. 2) Bill to extend the business expansion scheme to the private rented sector. I hope to show later that there is a great need, especially in London, to cater for the great increase in the number of single person households. Releasing that spare accommodation will be a significant factor in London.

Mr. Andrew Smith (Oxford, East): With regard to the increase in the number of single-person households, if over-rigorous restraint is applied, does the hon. Gentleman accept that the onward march of multiple occupation through the residential suburbs is no more welcome to Conservative Members and their supporters than the arrival of the bulldozers on open countryside?

Mr. Chapman: I agree with that.

The real problem is to what extent future housing development must be met in England's countryside. It would be helpful if the Government recognised that the planning system can play a positive part in dealing with

[Mr. Chapman]

that problem. We must ensure that any development in the countryside is carried out in such a way as to minimise the harmful environmental consequences. The Government, when assessing how much development is necessary for the countryside, must justify the figures updated by the Secretary of State last week. He said that the forecast for the number of new homes in the south-east up to the year 2001—which is only 13 years away—is to be increased from 460,000 to 610,000. A proportion of that number, but by no means the major proportion, will be in London.

I put those statistics to my hon. Friend the Under-Secretary of State for the Environment who will be replying to the debate. My information is that nearly half of the 610,000 extra homes are needed in London, and 90 per cent. of those will be for one-person households. If that is so, the vast amount of that demand can be satisfied in London and in the other urban areas of the south-east.

More specifically, the public must be reassured that as much as possible of the increased housing demand will be met in urban areas. Encouragement and resources must be given to urban local authorities so that they can realise the maximum potential for recycling underused and unused land.

Mr. Nicholas Baker (Dorset, North): I understand that on those figures the proportion of new single households projected for 1991 to 2001 in the south-east will be about 95 per cent. Those are the people who the Secretary of State has said should be housed within urban and developed areas.

Mr. Chapman: I said that 90 per cent. of London's demand is for single-person households. Therefore I have no reason to suppose that the overall figure for the south-east is not about 95 per cent.

Mr. Stan Crowther (Rotherham): Are those figures based on an assumption that regional policy will continue to be a failure, as it always has been? I do not especially blame this Government. Further, will the over-concentration of employment in and near London continue? If we had a successful regional policy, shifting the balance in favour of the more northerly parts of Britain, those figures would have to be re-examined.

Mr. Chapman: I know that the hon. Member for Rotherham (Mr. Crowther) speaks with great experience on these matters. He is a member of the Town and Country Planning Association council. I remind him that I said at the beginning of my speech that, whatever the regional policy, those figures are based, not on any immigration into the south-east from the other regions, but on a slight net emigration. It is for the hon. Gentleman to say how significant regional policies could be in minimising the demand forecast in these figures.

I refer now to what I believe should be the backbone of the Government's policies relating to the countryside. Development in the countryside must be a policy of last resort. There must be certainty about the policy. Then, we hope, there will be widespread public support for it. Vagueness, equivocation and uncertainty are damaging to the Government's policies. As long as there is doubt about the policies, speculation will be rife and land values will escalate. Taking a median figure, the average price of agricultural land is about £2,000 an acre. It is not an exaggeration to say that some of the prime green field sites in southern Britain have development values of about £1 million an acre. As long as there is doubt, there will be a feeling that there is a free-for-all. That would be a terrible disaster in the planning of sensible policies for our countryside.

Our countryside is a unique heritage and a priceless asset. I am not a rural Member of Parliament, so it is not petty parochial pleading to ask that the countryside be protected from unnecessary development. I believe that it is in the national interest.

I do not want to be seen to be dealing just with planning in the countryside, the urban areas, the cities and the large towns. I am also interested in the hinterland of suburbia, especially on the outskirts of our great metropolis. There are pleasant residential areas there that need also to be protected. They are areas which are worthy of care and conservation.

Due to the sustained economic growth, the spread of home ownership and the social changes, I find in my constituency—I am pleading a touch of parochialism here, although it is not confined to my constituency—that there is a proliferation of new developments, usually blocks of flats, that are hopelessly out of scale, character and harmony with the areas in which they are placed. They are destroying the semi-rural atmosphere of those suburbs which is important to the pleasantness of these residential areas. When they bring with them a significant increase in density in those neighbourhoods, usually with inadequate roads and with inadequate sewage systems, that is a backward step and harmful to the environment.

I have suggested to my right hon. Friend the Secretary of State that local planning authorities should have the power to designate such pleasant residential areas as "special protection areas"—I have used the acronym SPAs—so that the local planning authority could turn down any application that was out of scale, density or character, and have its decision backed up, if necessary, by the Secretary of State on appeal.

Of course I recognise that there is a need for flats. Indeed, I have referred to single-person accommodation. However, there are appropriate areas for those flats and there are other areas where that sort of development, although needed, is completely inappropriate. I suggest that for such areas my hon. Friend could lay down the condition that permission is required before the demolition of perfectly decent houses is allowed. That proposal was put forward by my hon. Friend the Member for Harrow, East (Mr. Dykes). There is a need for such additional protection in residential areas—a sort of halfway house towards conservation.

Mr. Hugh Dykes (Harrow, East): I am grateful to my hon. Friend for giving way because he has given way many times already. I thank him also for referring to the proposals in my Bill, which has now lost the possibility of a Second Reading, but which will return. Does my hon. Friend agree that such a proposal would not hinder legitimate planning developments, where there was a case for the development in the right place, but would provide essential protection in, for example, our outer London boroughs, where developers are indulging in wholesale demolition—I believe that my hon. Friend's constituency suffers from that, as does my own area—and then creating the fait accompli of a development site where a large number of flats will be built without any control by the

local planning committee? Does he agree that that should be an essential additional component of modern planning techniques and that the Government should be more enthusiastic about it from now on?

Mr. Chapman: I agree absolutely with my hon. Friend. There is great force in his proposal. I am sorry to hear that his Bill has been denied its Second Reading. I hope that he will persevere.

If the Minister does not feel able to accept that proposal, at least there should be clarity in Government circulars. Indeed, the problem arises from the interpretation of circular 22/80. Local planning authorities feel that they cannot resist such developments because the developments will be upheld on appeal.

I should like to make one other proposal about possible changes in our planning system. I must declare an interest as a fellow of the Royal Town Planning Institute, although I have not practised for years. Complaints have proliferated that some developments are starting without planning permission or are going ahead in contravention of a condition of the planning permission. I have written to my hon. Friend the Minister for Housing and Planning about that and he has replied that the planning authorities have powers under stop notices and enforcement notices. However, those notices are difficult to institute.

The only solution is that there should be financial penalties for such actions whether or not planning permission is subsequently given. I feel strongly about that, because more and more people feel that there is corruption in the planning system; they see developments going ahead without the necessary permission. I hope that my hon. Friend will respond kindly to that suggestion. I welcome the review of local authorities' enforcement powers against breaches of town planning laws which the Secretary of State has recently announced.

I realise that land use planning is an attempt to meet two irreconcilables—the needs of developers and the interests of conservation. If I had to make a judgment on our town and country planning system over the past 40 years, I would say that the system has not been particularly successful in the planning of our towns. However, it has been reasonably successful in preventing undue sprawl of urban areas into the countryside.

I like to think that we have learnt seven lessons from the experience of our planning system during the 40 years since the passing of the great Town and Country Planning Act 1947. First, there must be reasonable certainty about what the planning regime is and what the Government's policies are. That is essential to ensure confidence.

Secondly, we have learnt that ad hoc changes to our planning system are bad. Thirdly, experience has shown that Government guidelines—whether in circulars or elsewhere—must be unambiguous. There is too much equivocation today on issues relating to development and conservation.

Fourthly, continuing initiatives are necessary to bring forward land that is suitable for development in our cities. I see nothing wrong in the Government setting targets for individual local authorities because I believe that they have a fair inkling of the amount of derelict or unused land in their areas.

Fifthly, there is a need for more positive management of and commitment to the conservation of our countryside. Sixthly, the planning system should be made flexible to cover different needs and conditions in different parts of Britain. That should not be done by stripping away whole parts of the planning system because of short-term needs or whims. Changes must be carefully worked out, and I recognise the great progress that the Government have made on that. They have continued to protect certain parts of the country, especially the countryside, but have made the planning regime much more flexible and much simpler in areas where there is a desperate need to encourage redevelopment.

Seventhly, whatever town and country planning system we have, different types of decision will still need to be taken at different levels. Clearly, there is a part to be played—perhaps the greatest part—by local planning authorities, in the sense of local district councils, but there is also a need for a larger or county overview in, for example, matters relating to nature conservation. I hope that that will assume a greater importance in the Government's policies, especially as a result of the changing regime in agriculture. However, there is also a need for a regional overview, even if there is not a need for statutory regional authorities.

I believe that SERPLAN the South-East Regional Planning Council—can work. I do not say this in a party political sense, but the experience of the Greater London council showed that there was conflict between the GLC and many of the London boroughs. There should be an attempt at consensus. I hope that individual London boroughs will work in harmony with SERPLAN and the London planning advisory committee.

The Government should build on our 40 years' experience of our town and country planning laws. There must be a common-sense attitude if we are to succeed in reconstructing our inner cities, caring for and containing our towns and suburbs, and conserving our countryside.

5.7 pm

Mr. Simon Hughes (Southwark and Bermondsey): I welcome the choice of subject of the hon. Member for Chipping Barnet (Mr. Chapman). It is a subject that he knows a lot about and about which he is known to know a lot. I do not disagree with one word that he said. I hope that his remarks have made it clear that for 40 years or thereabouts, there has been consensus in Britain, among politicians who have considered the issue and the people who are knowlegeable about it, that we need to use planning and the tools of intervention, by both Government and local government, to balance the interests of housing and conservation—and, indeed, that is what has happened.

The debate has made it clear that the Secretary of State —I concede this willingly—has accepted that there will be intervention. He has not pretended that there will be a free-market approach with no restrictions. As the hon. Member for Chipping Barnet knows, part of my constituency is in the London Docklands development corporation area, and I see the evidence of intervention around me, as we try to attract into the inner city, thereby regenerating it, what would otherwise go to rural or suburban Britain, or to the home counties. It is right that we reaffirm all-party support for the right approach, which is to intervene in the right way to make sure that there is the right balance.

As to the point made by the hon. Member for Stamford and Spalding (Mr. Davies), unfortunately, the electoral system means that I am the only visible representative of

[Mr. Simon Hughes]

my party from the south-east. My party received half the votes of his party, but the electoral system did not give us half the seats. If it were fairer, there would be more of us here. It is even more unfair because it gives the Labour party, which had even fewer votes than we did, one more seat in the south-east.

I shall be brief because it is right that there should be contributions from as wide a cross-section of opinion in the House as possible. However, I wish to reaffirm my party's commitment to the green belt. This is the first opportunity that I have had to do so under slightly different colours. It is my hope that our colours will become ever more green.

The green belt policy has demonstrated—we have added to this over recent years—the need to resist market forces as the only arbiter of environmental decisions. When developers are queuing to grab land around urban Britain, particularly around London, the green belt is of great importance. My colleagues have always considered that the pressure that developers exert, which increases as the economy expands, means that we have to consider the green belt as even more important. As the pressure increases, it becomes more important that the methods to resist the pressure are seen as strong.

We have to use the green belt not just to preserve the lung around London and other urban areas but to allow other rural communities to have their own identity and characteristics. Recreation, good agriculture and environmental regeneration are all proper. The green belt has not restricted the availability of jobs or growth, and should be seen as a benefit, not as a disadvantage. Furthermore, we must remember that we have the stewardship of the land for future generations and it is not there just for our use. Therefore, our response should be to need, and we should not use demand as the governing criterion.

My party and other Opposition Members have the suspicion that the pressure is greater because of the links between developers and the present Government party. That is evidenced to be a fact, and the row that goes on is the battle between the electors, whose representatives are here and who are concerned to resist development pressure, and some of the Government's paymasters, who clearly want to develop more and find profit in doing so.

When the Secretary of State turned down the application by Consortium Developments Ltd. for a new town at Tillingham Hall, that was not entirely unwelcome to the developers. Consortium Developments Ltd. saw encouragement for its processes of building new towns around the south-east. David Crewe of that company wrote, in the *Municipal Journal* of 15 April 1988, an article entitled "Case for building new-town hamlets". He made the case that Consortium Developments' basic concept of new towns was supported by the Tillingham Hall decision.

The hon. Member for Chipping Barnet left out one crucial point. It is that the interests of developers do not coincide with what the Secretary of State, in his speech last week to the Bow Group, described as meeting the needs of those

"at the bottom of the pile".

Developers want straightforwardly to do the kind of building that enables them to make the most profit in the shortest time. Generally, that means up-market homes in desirable green field sites, or along the river in London, which sell for high prices.

The hon. Member cited figures that we can all use, showing that what is needed is not expensive five and six-bedroomed houses in the green belt but sheltered housing for the elderly or homes for single people, which are rented cheap or purchased cheap. There is room for that in the inner city and in infill sites in small villages. In each village, there are probably one or two such sites. I come from a rural background and my mother is chairman of a parish council, and my ear is regularly bent on this issue.

We have to develop gradually, and there are methods for doing so. The Government could bring into use the capital receipts of local authorities and spend them on regeneration and on the sort of housing that is needed. The Government could allow local authorities to be properly funded and could provide a fiscal incentive to building work on existing sites rather than green field sites, whether by alteration of VAT or by some other method. The Government could also put a tax on derelict inner-city land, and I asked the Chancellor of the Exchequer a question on this. If we respond to the increasing number of households, then we must respond with the appropriate type of housing. The hon. Member for Chipping Barnet left out that one element—that the housing has to be of the right type.

As Government Members will know, in the structure plans for their counties—whether Bedfordshire or Berkshire—there is an over-supply of land as compared with requirements over the next five years. For example, in Bedfordshire the over-supply is 118 per cent., in Berkshire it is 105 to 122 per cent., in Buckinghamshire, 108 to 143 per cent., in East Sussex 126 per cent. and so on. In West Sussex, it is 177 per cent.——

Mr. Robert Key (Salisbury): What about Wiltshire?

Mr. Hughes: Sadly, my figures do not go far enough west to include Wiltshire. I know that the hon. Gentleman has a valid concern.

In every county in the south-east, there is an over-provision in the structure plan, so there is not the pressure that the developers argue there is. Land is available if inner-city land is used as well.

Surely Government policy should be to proceed slowly. Surely the approach should be incremental, and to infill and to see whether the housing legislation going through the House releases empty property for private letting. That is the way to proceed—certainly but slowly. The figures in London and the south-east are telling. In the private sector, there are 177,000 empty properties and in other sectors, including local authorities, 44,200. That is nearly 250,000 empty properties. If Government policies will bring those back into use, then let them be brought back into use first before we start building on either green belt or green field areas, with disadvantageous results for the local communities.

We have the property and we have provided the land. We must be more clear, and the message coming from the House and Ministers must be clear: it is that green belt and the conservation and protection of our environment—urban and rural—will be the hallmark of Government green belt and housing policy.

5.18 pm

Sir Hugh Rossi (Hornsey and Wood Green): I join in the congratulations to my hon. Friend the Member for

Chipping Barnet (Mr. Chapman) not only for his selection of the subject today, which is suddenly topical, but on the thoughtful way in which he presented his argument—an argument with which I do not think anyone in the Chamber will disagree. As has been said, he has a distinguished professional background. I thank him for referring to the work of the Select Committee on the Environment. As a former distinguished member of that Committee, he has contributed greatly to the two reports that we produced on this topic, one in 1984 on the green belt and land for housing and one in 1986 on the planning appeal system.

I found some similarities between what my hon. Friend was saying today and some of the conclusions reached in those reports and the recommendations that he was instrumental in making. He was right to say that the main problem in this field is and always has been the tension between those who want to develop in response to social needs and those who want to conserve that which already exists.

In comparison with other countries, our planning system has served us very well, although it is always possible to point to individual decisions which could, perhaps with advantage, have been different. We do not need to go as far afield as Japan to see the value of our planning system. Some European countries could well have done with a planning system similar to ours, because in those countries beautiful areas have been spoiled by indiscriminate development.

My hon. Friend the Member for Chipping Barnet was right to say that the essential ingredient in the success of our planning system is the green belt policy. One must appreciate and understand the objectives of that policy, and we must not confuse green belt with green field. That is happening in many of the discussions that are taking place. Green belts are there to stop the growth of large built-up areas, to create around them a sort of cordon sanitaire in order to contain them. Secondly, green belts are to stop urban areas merging with one another and creating an extensive urban sprawl that is virtually without end. Thirdly, the green belt protects the special character of some of our historic cities.

There should be a fourth objective, and it is the one that the Select Committee urged the Government to include in a circular. It should be to assist urban regeneration: through containment, pressures begin to bear upon inner cities with derelict land that can be brought back into effective and economic use. That should be clearly stated in circulars and should not simply be given in answers to parliamentary questions that I have asked from time to time. That is insufficient for people outside the House, because it does not enable them to understand and appreciate that part of Government policy.

I congratulate the Government on the steps that they have taken to increase the effectiveness of urban regeneration. Only a month or two ago, we had a statement from the Secretary of State about the restructuring of derelict land and urban regeneration grants into a new and simplified system. I was assured at the time, and I hope, that that system will be demand-led and not cash-limited. Whatever the Treasury may say, that is essential if we are to encourage developers to move into our inner cities and regenerate land which at the moment has a negative value.

I recognise the acceptance and the adherence of the Government to a green belt policy and an urban regeneration policy. However, people do not have a sacrosanct right to say that no further development may take place in other areas. It is selfish for people to say that as they are the last people to move into an area nobody else can move there. If such people are not living in a green belt or in an area of outstanding natural beauty which, because of its nature, requires some kind of protection, it is quite unacceptable for them to take such a view.

We must recognise the changing nature of our society. We have improved transport systems and different methods of work and people do not necessarily need to be huddled one upon the other in flats in the centre of towns. People should aspire to a different lifestyle during their working life as well as in their retirement. If society adopts that course, our legal structures must be adapted in order to meet that demand while ensuring that excesses do not take place.

This is where I begin to quarrel with the Government. I accept that there is a tension between developers and conservationists; although that poses a dilemma for the Government, they should give a far clearer lead and a clearer picture of their policy than they have done hitherto.

In its report on planning appeals of 1986, the Select Committee identified a mismatch between central and local government planning objectives. The Select Committee noted the vagueness of circulars and it seemed, at the time that the Committee's report was being written, that planning law was being decided by the appeal system. One did not know what was likely to happen until one appealed to the Secretary of State who made the decision. The guidelines were not clear enough to show whether an appeal was likely to succeed. That led to the appeals system becoming bogged down, burdensome and expensive, both to the local planning authorities and to the developers.

The Government should carefully note the last seven points made by my hon. Friend the Member for Chipping Barnet. He said that there must be a clearer and more positive policy and that vagueness should be abandoned. I think that he said—if he did not, I certainly say to the members of the Government party who have the good fortune to represent fair county seats—that whatever the pressures from constituents, they should remember that other people in these emerald isles also have a right to enjoy living among the green fields.

5.27 pm

Mr. Andrew Smith (Oxford, East): I join in congratulating the hon. Member for Chipping Barnet (Mr. Chapman) on initiating this debate. I endorse his call for integrity in the planning system and welcome the degree to which that view has been supported.

There was a reference to the number of Labour Members in the House. There is 100 per cent. representation from Labour Members representing south-eastern seats outside London because I am here. Perhaps some hon. Members are hesitant about intruding on private grief and being party to the deepening split between the Secretary of State for the Environment and the right hon. Member for Henley (Mr. Heseltine). The right hon. Member for Henley represents a small corner of my garden and has succeeded in safeguarding it from development—except for the part where I have built my compost heap.

[Mr. Andrew Smith]

I agree with the Secretary of State for the Environment on two key points. First, I agree that there is an acute need for extra housing in the south-east. Conservative Members have conceded that that is beyond doubt although we might argue about the precise figures. Secondly, if nothing is done it is the poor who will suffer most of all. So far that point has not been touched on very much. I emphasise that the attitude of the Government and the Secretary of State to local councils in their efforts to provide, directly or in partnership with housing associations, housing to meet local needs is one of opposition. Putting every barrier in the way of local authorities does not help to get a solution to the intense housing problems facing people in the south-east.

Oxford city council has been one of the main victims of the barrier put in the way of lease-back deals in the Secretary of State's recent announcement. The Development of 1,300 houses on green fields next to my house has been at least substantially delayed. The wherewithal to finance a scheme that had the support of the city, south Oxfordshire and the county council will now be found with difficulty, if at all. Ironically, one of the only alternatives would be to sell the whole thing off for speculative housing development, which would not meet local need and would aggravate the problems.

I see the solution to the housing problems confronting the south-east neither in the market liberalism of the Secretary of State—tempered though it may be—nor in the "not-in-my-back-yardism" of the right hon. Member for Henley. If we exercise the rigid restraint for which some Conservative Members in the south-east have called, the pressure will simply build up to intolerable levels in existing urban areas. There will be more and more subdivision of existing properties, and the onward march of multiple occupation will proceed through the suburbs. Furthermore, thousands more will be condemned to live in appalling conditions—in homeless family accommodation, crammed into unsuitable and damp homes, or crowding on to the increasing number of caravan sites proliferating around the edges of the urban areas.

The policy of the Department of the Environment seems to make matters worse rather than better. The Use Classes Order, in effectively deregulating planning control where six people or fewer are sharing a house, has given rise to considerable pressures in my constituency, and I know that the same applies in Cambridge and other southern towns. It gives the local authority no control over the uses to which residential accommodation is put. I fear that the deregulation in the Housing Bill will simply worsen the problem, and make it very much more difficult for families to find accommodation that they can afford.

The reason why we face such difficulties, and why Conservative Members have a particular problem, is a contradiction at the heart of Government policy and current Conservative ideology. The Government advocate the free market and the free movement of capital. They give the free market priority, whether trade unionists are attempting to intervene to protect their members' interests or democratically elected councils are standing up for the interests of the local population. As a consequence, we have seen the free market operating to generate a high degree of economic growth in the south-east, sucking in capital from other regions. We have also seen many people taking the advice of the right hon. Member for Chingford (Mr. Tebbit), getting on their bikes and finding work in the south-east. Although I concede that there may be a small net emigration from the south-east, that is not inconsistent with pressure from the immigration of people looking for jobs.

Workers who come to my surgeries—as I am sure that they come to those of other south-east Members—have seen job advertisements in the local paper, after being unemployed for five or 10 years, and have come down from Scotland or Liverpool, taking the advice of the right hon. Member for Chingford. They have found work and then been unable to find accommodation for love or money. They cannot afford to buy or to rent on the private market, and the council waiting lists are too long for them to have any prospect of accommodation in the foreseeable future. The same is true of housing associations. Nothing in the Government's present proposals or in the Housing Bill will make the position other than much worse. Those people should not be forgotten—people who are separated from their families, which causes the same marital pressure, anxiety and worry that afflicts many thousands in south-east England who cannot find or afford accommodation even when they have been born and brought up here.

I am pleased that Conservative Members are showing some awareness that intervention is necessary in the form of planning controls and an effective regional economic policy. Let me emphasise how important that is. The failure and relative absence of regional policy in recent years bears a large part of the responsibility. I am not saying that it would solve all the problems, but it could certainly alleviate them. We need a much more determined programme of investment in infrastructure and services in the depressed regions. We need a total change in the Government's attitude towards local authorities, with which they should be working in partnership to bring about economic regeneration in other parts of the country, which could lift some of the pressure in the south-east. Similarly, the Government should be working in partnership with local authorities in southern England to address local housing needs.

Let me suggest some of the steps that I think should be taken. In the difficult planning decisions that come before local authorities, there should be an effective voice for local people. Such are the capital surpluses that can be generated by the sort of speculative developments that we see in the south-east that it pays developers every time to engage high-calibre advice, and to put together an effective progaganda machine in favour of their developments. Local people, and increasingly even local authorities, are hard put to match that when it comes either to the planning process or to a public inquiry. The Government should address themselves to the funding of objectors.

I urge the Government to work within the framework and in harmony with democratically formulated county structure and local plans. A number of proposals—including one at Stone Bassett, not far from my constituency—are in clear contradiction of the structure plan. They do not fall within the green belt. The more that the Secretary of State talks about the need to protect the green belt the more worried local people become about other areas of open countryside—notwithstanding the fact that our structure plan clearly indicates parts of the county to which development should be steered.

If—as is the case—additional housing is required, there should be a general increase in targets, and it should be up to local authorities, in consultation with local people, to identify the appropriate pieces of land. Adding some houses in a number of different villages is a possibility: that can do something for village life, and for the economic and social vitality of individual villages. We also wish to see redundant urban land brought into use. But however it is done, it must carry local opinion with it wherever possible. Above all—I do not expect this from the present Government—it is essential to get to grips with the massive amounts of capital to be made in profits on speculative developments.

At present, agricultural land in Oxfordshire sells for about £2,000 an acre and residential land is worth between £500,000 and £1 million an acre, depending on where it is. There are proposals for a 600-acre development at Stone Bassett, which means that there is a potential profit of at least £300 million before one starts. That gives a massive incentive for speculative development by the consortium of developers.

I believe that attempting to plan that process without getting to grips with land values is like trying to steer a car without being able to regulate the engine. As it runs increasingly faster, each little twitch on the steering wheel threatens some damage. I concede that attempts in the past to extract for the community a fair share of development value have not been organised as well as they should or worked as well as one would want. It is an area to which a responsible Government would address themselves, so that those windfall profits do not simply fall into the hands of speculators, but are available to the community as a whole, which, after all, gives the planning approval concerning what is the heritage of us all. It is the community, not the developers, who should benefit.

Sir Hugh Rossi: The hon. Gentleman has mentioned an important point. I hope that the Labour party has learnt from the errors of the past and will not return to the concept of a development land tax or a betterment levy, which were a total failure. The figures are £5 administration costs for every £1 recovered. Section 152 agreements are a far better way of clawing back to the community some of the benefits of the development.

Mr. Smith: I have heard at least one Conservative Member advocate taxation on undeveloped urban land. The principle that, where development takes place, a fair share should come back to the community, is sound and should be pursued with all vigour.

If the form of agreement suggested by the hon. Member for Hornsey and Wood Green (Sir H. Rossi) could be strengthened and given real bite, and could take the heat and incentive out of the motive to the speculators, I, and certainly the Labour party, would look at that, but one thing remains certain. That is that, as long as there are large profits to be made, as at present, any land that might be taken for development in the south-east will continue to be at risk.

I urge the Government to do this, and Labour would do it where the Conservatives would not. We must examine the distributional aspect, as the hon. Member for Southwark and Bermondsey (Mr. Hughes) said. We must consider who will get the houses. It is not simply a matter of where they go and how many there are; it is a matter of who will live in them and be able to afford to do so. Again, if it is left to the market, all those speculative developments will cater primarily for up-market housing. They will not meet the needs of those who are in overcrowded accommodation, stuck on caravan sites or, as is happening increasingly, having to share accommodation with relatives or commute back to Liverpool or Kilmarnock every other weekend to see their family.

What is needed is much stronger and more deliberate intervention to ensure that, where there is development, it provides low-cost accommodation to rent, municipal accommodation available for allocation on the basis of need, or accommodation that housing associations can allocate on the basis of need. I emphasise that low-cost housing for purchase should be provided.

The state of affairs at Stone Bassett gives rise to a great deal of concern in Oxfordshire. The land is outside both the Oxford and London green belts, but it is of a high amenity value—visually, I believe. The proposals are opposed strongly locally by immediately neighbouring residents and villages, which one might expect. However, there is also a great deal of concern across the county that in itself the development will add to the pressure on local services to an extent that will not be compensated by the benefits to the community that the developers might make available. Moreover, there is a great deal of concern that any such development is unlikely to meet local housing needs.

There is also strong concern, so vigorously has the proposal been opposed by the Member of Parliament, the right hon. Member for Henley, and such is the vehemence with which the row between himself and the Secretary of State is developing, that there might be a temptation for the Government to approve the scheme precisely because it falls in the right hon. Gentleman's patch. I hope and trust that that will not happen.

The Government and all parties must look afresh at the Town and Country Planning Act and how it operates when there is such intense pressure for development in the south-east. It often seemed to me, as the chairman of a planning committee for several years, that, in regard to development control, the present operation of the Act is too negative, in that the onus is on what one turns down rather than on what one positively advocates. It is too passive in that local authorities have to wait for developments to come to them, rather than being able to plan the best developments in the light of local needs.

The Act is permissive in that the onus is on local authorities to grant planning permission except where there is good reason not to do so and even when they might have good ideas about what might be a preferable scheme. The Act should be made more positive and pro-active. It should be combined with stronger and more effective regional policy and a genuine willingness to get to grips with land values and to ensure that, where developments takes place, they are applied to the benefit of the whole community.

If Conservative Members who are grasping their way towards realising the importance of interventionism were prepared to go further in that direction, no one would welcome it more than me. As the people of the south-east recognise increasingly that intervention, both locally and nationally, is essential to address the growing problems and stresses arising from the economic pressure in the south-east, they will also recognise increasingly that, if

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interventionism is what is called for, it is best to elect a Government who genuinely believe in it, rather than try to press the case on a Government who so manifestly do not.

5.48 pm

Mr. Jerry Wiggin (Weston-super-Mare): I, too, congratulate my hon. Friend the Member for Chipping Barnet (Mr. Chapman) on selecting this subject for debate. Many of my hon. Friends and I believe that the issue is of greater importance than the Government currently realise. Any opportunity to give it a full airing is welcome because there is great depth of public feeling about it in many parts of the country.

Last week there were two events of substantial importance, relevant to this subject. First, my right hon. Friend the Secretary of State made a full statement of the Government's position in a speech to the Bow Group. He set out the reasons that prompted the Government to permit a record level of housing development over recent years, and tried to justify why it should continue for the foreseeable future. Secondly, he found himself in the embarassing position of having to acknowledge that his estimates of household growth in the south-east were understated by no fewer than 150,000 households—some 33 per cent.—and that the counties in Serplan should make provision accordingly. Such an error hardly gives me much confidence in the methodology of the Department of the Environment, since the last figures were issued only in 1986.

There is no serious philosophical difference about whether we should have planning controls. They have been with us through all colours of Government for some 40 years and any proposal to sweep them away would be unthinkable and unacceptable. That said, the Government are the final arbiter and, like it not, they have the ultimate responsibility for the strategic planning decisions that effect the nation. At the end of the line, they decide the quality of life of many of our people. They cannot abrogate that responsibility, nor should they. But to conclude, as this Government are doing, that all demands for housing should be met regardless of the consequences for others, is just as irresponsible to present and future generations as abandoning all attempts at planning and merely giving way to market forces.

The difficulties of house building on a massive scale over a short period without the necessary supporting infrastructure came vividly to my attention during the huge housing developments that took place in my constituency. In discussing my anxiety with hon. Friends, the great national importance of this question became apparent. Around every major conurbation developers have been active, and nowhere more so than in the south-east. Therefore, it is disastrous news to hear that the Government expect house building to continue in the south-east at no less than the present rate well into the next century.

I remind my hon. Friend the Minister that the strength of feeling in the Conservative party can best be measured by the fact that 93 colleagues like to have notice of meetings that I may arrange on the subject. It is wrong to suggest that we wish to stop all building at a stroke, but many of us believe that in certain areas the pace must be drastically reduced—at least until recent building can be sensibly absorbed, the roads are upgraded to cope with the extra population, schools and hospitals are built, and open spaces and recreational facilities are dealt with, together with all the other amenities that are normally provided for an established community.

My hon. Friends may have seen the pamphlet "This Pleasant Land" which some of us published. It points to the complementary and acknowledged problems of our inner cities. It cannot be right that our major cities are allowed to fall into a state of dereliction while those who work in them must move further and further out to live and, in the case of London, to live beyond the green belt on massive housing developments which create heavy pressures on all the existing community facilities. The Government recognise the problems of the inner cities and we support what they are doing, but we cannot understand why we do not receive a more sympathetic hearing for our reasoned arguments against green field building beyond the green belt.

The Government can make a start on solving this problem by administrative means. First, they must restore the power of the district council as the principal planning authority. It is best placed to recognise local feelings and the merits or otherwise of individual applications. The hon. Member for Oxford, East (Mr. Smith) touched on that when he too made a plea for the recognition of local feeling, for it is on that that we base our case. The Government must realise that, if they do everything centrally, they are bound to face this sort of criticism.

The cancellation or modification of the circular that requires each district to have a five-year land bank would also be required. Many districts are finding their decisions reversed on appeal because they do not have one. That obligation has been the developers' charter. Many district councils without such a land bank are forced to allow unwanted developments because they know that their decisions will be reversed on appeal and, naturally, they wish to avoid the costs involved.

In his speech on Tuesday, my right hon. Friend the Secretary of State pointed out that some districts, faced with an unpopular application which the council might welcome, reject it in the knowledge that the Minister will subsequently allow it and so eventually carry the odium. Either way, the Government get it wrong and in neither case does the district council get its way. I understand that my proposal would drastically slow the rate of development in some areas, but others would welcome the opportunity to encourage development. I deplore the Government's reluctance to make these vital changes.

My hon. Friend mentioned the concrete desert of Tokyo. The other day I was in Los Angeles and was told that Greater Los Angeles spreads for no fewer than 250 miles. We do not have space on our little island to spread like that; and the electorate is overwhelmingly opposed to a concrete jungle from Kent to Somerset and from Hampshire to Cambridge. Time is no longer on our side. In his speech my right hon. Friend spoke of the need to house the families of existing inhabitants. They are today's electorate and if they had strong feelings and shared his fears, surely they would say so.

Usually, the Conservative party has been highly sensitive to the feelings of its supporters, and in this case in particular the Goverment would be most unwise to ignore the huge groundswell of popular opinion that is opposed to their present policy. It is our intention to keep

this matter in the forefront of debate until we obtain a meaningful response from the Government which will allay the fears of our constituents.

5.56 pm

Sir Geoffrey Johnson Smith (Wealden): I join my hon. Friends in congratulating our hon. Friend the Member for Chipping Barnet (Mr. Chapman) on the many wise statements he made. I should like to concentrate on his plea to the Government to be more flexible in their planning policies and to differentiate more expertly and firmly and with greater stability on the differences between one area and another. I hope that my hon. Friend the Minister will reply to that specific point, which has been echoed by other hon. Members.

I have some sympathy with my right hon. Friend the Secretary of State. He has a difficult problem to deal with, as my hon. Friend recognised, and he has undoubtedly been shocked by the new extrapolation of the population. That has been leapt on by some builders as a sort of new builders' charter, but we know that such forecasts are not to be taken literally—and they know that, too. Forecasts are no more than an attempt to extrapolate current trends. They are done every two years and vary widely. They fluctuate and change, so they provide no firm guidance about what should happen in future. We all believe in the importance of planning controls, not least my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi). We have destiny in our hands; it is not left to the whim or the extrapolation of some expert from a census return. We can do something about this, and we should.

My right hon. Friend the Secretary of State was not his usual charitable self in his comments about constituents when he suggested that they were all afflicted by this new disease called nimbyism. There may be one or two, and why not? After all, many people are like that wherever they are. It is to be expected. Some take rather short-term notice of their wider social obligations to the community and the nation's housing problems, but generally I do not find that to be the case.

The area I know best mostly encompasses a large chunk of east Sussex within the boundaries of Wealden district council, which is highly innovative. I shall tell my hon. Friends what we have done there, and this is no account of people stricken by nimbyism. Between 1976 and 1986, the district council areas saw a 13 per cent. increase in housing stock—about 6,000 new houses. During that period, the population increased by about 11 per cent.—at a time when the population in the nation as a whole was not increasing.

The district has many small towns. When I was first elected about 20 years ago, the town of Crowborough had a population of 8,000. In 10 years, it had increased to 17,000, and between now and 1996 we expect it to reach 22,000. The population will have increased three times in one generation. How many hon. Members could point to such an increase in population in the small or even medium-sized towns in their constituencies? It has not just happened in one town in my constituency. It has happened in other towns which people still like to call villages. Nor should we forget that it has happened in a constituency a large part of which has been designated an area of outstanding natural beauty.

The phraseology used by my right hon. Friend the Secretary of State in his speech to the Bow Group can only have exacerbated the anxieties that were mentioned by my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin). The pace shows no sign of slackening. We must gird our loins and stop our nimbyism. We must expect more building on green field sites. That will not mean infilling in my area. It will mean moving straight into areas of outstanding natural beauty. That is where the conflict lies. Not only my small corner of the south-east will be affected. As hon. Members who represent other parts of the south-east know, the problem will affect them, too. That passage in my right hon. Friend's speech is bound to increase anxiety.

The rural parts of some of the most beautiful areas of England are becoming semi-rural, and the semi-rural parts are becoming urbanised, with all the consequent costs and struggle in extending the infrastructure of schools, roads, health and social services, water and sewerage. All those extra services are required at a time when the Chancellor of the Exchequer and other members of the Administration tell us to be careful about our capital costs. The two do not go hand in hand.

What makes the problem much more difficult is circular 15/84. My hon. Friend the Member for Weston-super-Mare and I have been to see the Department about the five-year supply of land for housing, and we questioned the number of times that Department inspectors had overruled the district councils on appeal. Since our meeting, the position has improved. The difficulty with the circular is that it enjoins district councils always to maintain a five-year supply of land. No sooner are applications for development granted than more land must be included. We cannot continue year after year to pretend that the countryside is sacrosanct and that the quality of life in those villages and towns will be preserved if we must always have a five-year bank of land for building. It leaves no time to plan, let alone to finance the increasing demands of improving the infrastructure.

That is why in the excellent pamphlet—"This Pleasant Land"—to which I lent my name, although none of the writing was done by me, we say:

> "County or District Councils should have the power to prohibit substantial housing or other development in towns and villages where, for architectural, geographical or historical reasons, it would be unsuitable and have a deleterious effect on the existing environment."

The Government try to give the impression that their policies will meet the demand for housing, and their weapon is the release of more land. Of course, if there is no more land, there can be no more building. We see all the perils that I have mentioned, but we do not see the housing problem being solved. Building in the south will certainly not solve the nation's housing problems. Nor will it solve our economic or industrial problems. Land is limited, and the lesson is clear: the Department believes that the market force is in the direction of the south and it does not wish to do anything about it. In that case, its planning procedures are completely against those of the Secretaries of State for Employment and for Industry, the thrust of whose policies is to say, "We do not want the economy of the south-east to overheat. We wish to encourage the development of better housing and a better ambience in the inner cities so that the north and the midlands can become more attractive."

In my constituency, the people who need housing are being priced out of the market, despite the Government's planning policy. I do not know what has happened in the

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council represented by the hon. Member for Oxford, East (Mr. Smith). It must be dozy. My district council does not believe that it must intervene or that it should build massive housing estates of the sort that litter the rural and semi-rural landscape. It believes that it can harness private enterprise by encouraging home ownership and house sales with schemes involving joint venture, do-it-yourself shared ownership and self-build. It pursues innovative policies such as mixed tenure schemes for the elderly, and offering property for leasehold purchase, shared ownership or renting. It gets into the same financial planning bed as building societies, housing associations and the like. Much progress has been made.

Mr. Andrew Smith: Will the hon. Gentleman give way?

Sir Geoffrey Johnson-Smith: I would rather not. The hon. Gentleman spoke for 20 minutes, and I do not wish to do the same. Many other hon. Members wish to speak. He will probably discover that there is not much difference between us.

The district council is not unwilling to recognise the need for growth, nor has it lagged behind in providing the land necessary to meet housing needs. But our central point is that we are not meeting the housing needs of the very poor, and the threat of releasing more land causes tension and anxiety. Over-development not only causes invasion of the countryside but destroys the quality of life in our towns and villages.

Against that background, I urge the Government to pay more regard to the points that have been made—some in this debate and some outside the House. First, they should accept that, as there is no free market in land, planning controls should ensure a fairer balance between housing and environmental needs. That means accepting that there is too much substandard housing in London, which is one reason why people want to leave. The SERPLAN report says that housing renovation has been reduced and that if the current rates continue there will be a considerable deterioration in the housing stock. My area has experienced an influx of people from London who want better housing and better schools for their children. If we allow the housing stock to decline and do not begin to arrest the deterioration, we shall accelerate the trend.

One need only look at the north and south banks of the Thames as well as the eastern Thames corridor to realise what a disgraceful state they are in. We look to the Government to ensure, with a combination of public and private enterprise—just as Wealden district council has done—that we get cracking to improve those areas so that people will want to live there and industry will want to move there. Then people can live in a decent environment in an urban area without having to travel miles across the countryside to work. They want to be close to work, and we have the facilities to provide it.

Mr. Peter Hardy (Wentworth): Will the hon. Gentleman give way?

Sir Geoffrey Johnson Smith: No. I do normally, but I want to finish my speech so that other hon. Members can speak.

The SERPLAN report says that the land supply for housing over the next five years is considerably more than that required by structure plans. I do not see the need, therefore, for the huge demand for building on green field sites. The report continues:

"For the decade 1981-1991, estimated house building activity will exceed earlier estimates used in preparing the strategy."

The SERPLAN reports points out—SERPLAN is supposed to be the expert in this regard—that,

"for the first half of the 1990s county provisions, taken together, will meet over 60 per cent. of the regional guidance figure for the decade 1991-2001."

That is a pretty good record. Of course there are regions where not enough is being done. The Minister should turn his mind to those regions and not threaten places such as east Sussex.

The SERPLAN continues:

"More attention needs to be paid ... to access to housing."

The problem of access to housing raises the question of those who are just above the benefit level, who are confronted with difficulties in London and in my constituency.

The general sense of the debate is that we are not suffering from nimbyism; we are happy to play our part. We understand that in future there will be pressures and we shall do our best to meet them. There could not be a more co-operative group of people in the private or public sector than those in the area circumscribed by Wealden council, which forms a large part of my constituency. We shall not be able to co-operate with the necessary good will that the Government would expect; we shall not be able to preserve the heritage of our country unless we have a clearer definition of what the Government want to happen in our rural areas.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. The wind-up speeches are expected at 6.30 pm. Many hon. Members wish to speak, so I appeal again for very brief speeches.

6.11 pm

Mr. Hal Miller (Bromsgrove): I shall try to be brief and I shall not refer to previous comments.

I should like to move the focus of the debate from the south to the midlands. I should not like it to be thought to be an exclusively southern preserve. I want to move from housing and discuss other aspects of planning coontrol. As to the housing issue, the arguments that I have heard are leading to the conclusion that we need another new town. I speak as an hon. Member who has had a new town constituency. New towns seem to be an answer to many of the points made about urban sprawl taking place beyond the green belt and in green fields. In case I am accused of trying to move the problem elsewhere, I should say that under the structure plan in my constituency we have unwillingly accepted a total of nearly 4,500 extra houses over the next three years.

With the completion of the M42 and the announcement that will shortly be made of the western orbital route around the west midlands conurbation—in the context of the local government boundary review—Birmingham city council is publishing proposals, which have not yet been put to the commission, to expand Birmingham as far as the motorways. It is expanding the boundaries not to preserve the green belt but with a view to development. I should like to hear an assurance from the Government about planning

in the green belt following the construction of motorways. I think that that might interest a number of other hon. Members.

In a letter dated 19 January 1985, the Minister's predecessor wrote to me to say:

"The construction and eventual opening of that motorway will not affect the green belt status of the land in any way. If the motorway creates development pressures, then it will be the planning policies of the County and District councils that will have to handle those pressures."

The letter continues to refer to a policy statement about the M25. I fear that the contents of the letter will be set at naught if the ambitions of Birmingham and Solihull are realised. I should like clarification from the Minister about that matter and confirmation that there will be opportunity for public consultation—the views of those living in the area.

A further letter that I received dated 30 October 1985 said:

"There will be extensive consultations, and the opportunity will be given for all local authorities concerned including those authorities with adjacent boundaries and for the public to put forward their views, and be consulted on any proposals that are put forward."

I must tell my hon. Friend the Minister that there is widespread public concern that the extension of Birmingham and Solihull will be put through by a local government boundary review body without adequate opportunity for public opinion to be tested in the affected areas. In an area surrounding a conurbation there are constant pressures on the land, often to allow it to go into disuse so that it may later form the basis of an acceptable application for planning permission. I am happy to say that in part of my constituency that progressive wastage is being countered by an urban fringe project to which the Government have contributed.

In my constituency we experience problems with massive poultry houses and widespread tipping. Those poultry houses are excluded, if they are of certain dimensions, from the operation of planning control under class VI of the general development order. As such, those buildings, which are not only of considerable floor area but reach up to 20 ft in height, surmounted by noisy electric fans that are in constant operation, may be built next to somebody's home without planning permission, consideration of disposal of the slurry or access of trade vehicles to the premises.

I understand only too well the pressure on the farming community and the need to look for alternative uses of land, but those factory units are a clear abuse of the general development order. I should like to hear that the proposals for stricter controls that were mentioned in a letter from the Minister dated 26 October 1987 are making progress.

As to tipping, land under the general development order land filled in for agricultural purposes is excluded from control. Thus, it falls to the county council as the waste disposal authority—the district council has no standing in the matter—to license the tipping operations. In effect, that is limited to setting conditions governing tipping, which prove extremely difficult to enforce. In practice, it has been found in my constituency ever since I represented it that those tipping operations encompassed not merely filling of the land but domestic and industrial waste and occasionally poisonous chemicals.

The controls are not adequate to deal with the problem, quite apart from the question of damage done to roads and verges and the flooding occasioned by the use of country lanes by traffic for which they were not designed. It appears that the tipper makes no financial contribution to the cost of repairing or widening those roads. It must be borne by the ratepayer, who has not only the nuisance but the penalty of having to pay for it. I hope that my hon. Friend the Minister, when considering the general development order, will give consideration to the question of financial contributions.

Finally, there is the question of councils awarding themselves planning permission, which I believe can lead to abuse. My district council gave itself planning permission for a hotel on a set of allotments while turning down a private application. In those circumstances, it is djfficult to convince the developer that the council's decision was unbiased. I hope that when the planning controls are reviewed consideration will be given to that difficult question.

6.20 pm

Mr. Andrew Hunter (Basingstoke): I shall be extremely brief and ultra-selective so that others have the opportunity to take part in the debate.

I believe that the Government's broad strategy is absolutely right. Urban and suburban regeneration and development should be the main thrust of housing and planning policy and the green belt must remain sacrosanct, although there will be a need for some topping up by green field development to accommodate the 2 million additional households that will need accommodation by the end of the century.

Two further points have been insufficiently stressed in the debate so far. All Members are significantly influenced by constituency experience, and I am no exception. In my constituency, the demand for housing is overwhelmingly locally generated. It is not a matter of people flooding in from other parts of the country. We had the major development in the 1970s and early 1980s. Now another generation is growing up and its demand for housing must be met. Insufficient attention has been paid to the fact that we are not drawing people down from the midlands, the north, or wherever, but predominantly seeking to provide housing in Basingstoke for Basingstoke people.

Insufficient attention has also been paid to the revival of the rural economy, although my hon. Friend the Member for Chipping Barnet (Mr. Chapman) alluded to this briefly. I believe that the problem is far greater and cannot be considered in isolation from questions of planning. To solve the economic problems of agriculture and to restore balance to village communities, the release of some green field sites is necessary. Ironically, many of the constituents who write to us protesting about planning applications are the very people who complain about village schools being closed, bus routes cut and shops closed down and sold.

I suspect that in this context my views differ slightly from those of some of my hon. Friends in that I am not entirely afraid of green field development. On the contrary, I believe that it has a significant part to play in planning policy and that some of the fears expressed are not entirely justified.

6.22 pm

Mr. Patrick Ground (Feltham and Heston): My hon. Friends the Members for Chipping Barnet (Mr. Chapman) and for Hornsey and Wood Green (Sir H. Rossi) have

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considerable experience in planning matters. I very much hope that the points that they have made today will be taken into account as I find myself in full agreement with almost all that they have said.

As has already been mentioned in several speeches, my right hon. Friend the Secretary of State made a speech on these matters last week. I especially welcome those passages in which he spoke of the policy to maintain the green belt. It is important that they be fully publicised as they have not so far received a very fair press and people have been left with a somewhat confused impression of what my right hon. Friend was saying about the green belt.

The Government's record in this respect is good. Appeal decisions and structure plan decisions have maintained the green belt. I welcome especially the comments of my right hon. Friend the Secretary of State about the needs of people living in towns. He said:

"They need parks and green spaces and gardens too and resent the implication that all development can just be dumped in their back yard. Remember too that the concept of green belt was to give 'green lungs' for city dwellers."

I presume that that also covers metropolitan open land —the open space within London recognised by my right hon. Friend's predecessors as of strategic importance for the metropolis as a whole.

I am not satisfied that the Government's commitment to the green belt and to metropolitan open land is fully understood either by the people who are to benefit from it or by the press and the developers. It is important to consider why that is so. One reason, in my view, is that whenever the Secretary of State is confronted with a thoroughly outrageous planning application to develop green belt or open space, perhaps in a massive way, he feels constrained to adopt a policy of silence in the belief that he has no power to act until the matter comes to him for an appeal decision.

Even when a proposal is plainly contrary to a local plan or development plan, the Secretary of State feels bound to go through the whole paraphernalia, if necessary, of a massive appeal involving great expense, a great deal of inspector time and considerable cost for all concerned. For example, shopping malls have been proposed for green belt sites. Adjacent to my constituency—I know that my right hon. Friend the Member for Brentford and Isleworth (Sir B. Hayhoe) is equally concerned about this—there is a massive proposal to develop metropolitan open land at Osterley with a large housing estate and large-scale shopping and industrial buildings. Since 1963, a succession of planning applications has been made in relation to that land and local people have repeatedly felt obliged to raise money to fight the proposals. I believe that if my right hon. Friend the Secretary of State interpreted his powers differently he could help immeasurably in making all of that unnecessary.

I ask my right hon. Friend the Secretary of State, therefore, to re-examine his powers. A large school of thought considers that he has power to refuse to entertain a planning appeal in respect of a hopeless case—that is, if he decides that planning permission cannot possibly be granted, he has power to refuse to entertain an appeal. The Department of the Environment interprets that as being limited to legal power, but it can be interpreted as covering situations in which the proposal is totally at variance with planning policy. I ask my right hon. Friend to re-examine his powers and to consider whether he should refuse to entertain some of the really hopeless planning appeals involving green belt sites and metropolitan open space. That would be of great convenience to the people who were intended to benefit from the policies and would achieve a real saving in inspector time. It would also help to make the Government's policy on these matters more clearly understood. I therefore strongly urge that that course be considered.

6.28 pm

Mr. Nicholas Baker (Dorset, North): This excellent debate has evinced unanimity on the need for greater certainty in our planning system. We also need much greater political will if we are to achieve the kind of certainty that both developers and those seeking to protect the environment wish to see.

I question the assessment made by my right hon. Friend the Secretary of State about demand. Too often, the figures appear to be estimates made by house builders rather than an assessment of actual need, as the hon. Member for Oxford, East (Mr. Smith) pointed out. There are still 600,000 empty homes in this country. Much more work should be done on that. Our planning system should enable us to preserve our countryside, enjoy a high standard of living and modernise our industry. It should allow us to have our cake and eat it; I do not shrink from saying that.

Many of my hon. Friends have argued—none better than my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin)—that the planning system is failing the nation. First, it is failing to protect green fields from overdevelopment. Secondly, it is failing to promote the development of inner cities. Thirdly, it is failing to provide for low-cost housing, which we want in all our constituencies. Fourthly, it is accelerating, if not promoting, the movement of population which has very serious social and infrastructure problems attached to it.

I shall restrict myself to commenting on the provision of low-cost housing, which I believe to be particularly important. The present system is failing to provide such housing, and the problem is not being addressed. Even in this debate it has been suggested that the overdevelopment of green fields would somehow enable us to deal with the problem. It would not. We must get the private rented sector going. More needs to be done and more finance provided for housing associations and sheltered housing schemes.

Furthermore, planning authorities need much greater quality control. For example, they need the power to order greater density in certain parts. I mean not only in the centre of Peckham in inner London, where I was a candidate for five years, but in the centres of our villages and towns, whether in the middle of Dorset or anywhere else. Lastly, I believe that the movement of population is extremely dangerous and gives rise to great social problems.

I would like the Secretary of State to change the statutory presumption in favour of development and to uphold local authority planning decisions to a greater extent. As he knows, I think that there is an urgent need to modernise the circulars. I want planning authorities to have much greater powers to control the quality of development and a tighter system of structure plans once

those structure plans have been agreed between central Government and local authorities. Our planning system is failing the nation and it needs to be changed.

6.32 pm

Mr. Clive Soley (Hammersmith): I am glad that the hon. Member for Chipping Barnet (Mr. Chapman) won the ballot and chose this subject. The hon. Member for Weston-super-Mare (Mr. Wiggin) closed by saying that he would attempt to keep the issue in the public eye until the Government do something about it. I assure him that he will have my absolute support.

I say that for two important reasons. Sadly, the hon. Member for Chipping Barnet ducked one of them—the whole question of demographic change—in his motion. I make no apology for saying that the second has to do with the political changes that that implies. That is why the Conservative party is so troubled by the change, which is doing to the Tory party what previous demographic changes did to us. Conservative Members must think through the consequences of that in order to understand what is happening.

The desperate crisis in housing in this country relates to the planning problem. The crisis has come upon us largely because the present Secretary of State and his predecessor, the right hon. Member for Henley (Mr. Hesletine), who sets himself up in opposition to him, created it between them. Both of them undermined local authorities' ability to provide and plan effectively. The right hon. Member for Henley has the audacity to attack the present Secretary of State for setting loose the Frankenstein's monster that he designed.

Conservative Members claim that they are innocent of any responsibility, but the right hon. Member for Henley was the Secretary of State who ordered Berkshire, his own county, to increase the housing supply by 8,000. Furthermore, although he now says that civil servants in the Ministry of Defence should go north, he was the Secretary of State who cancelled the previous Labour Government's order to move the Property Services Agency up to Middlesbrough, which would have meant 3,000 jobs going to the Middlesbrough area.

The present Secretary of State has nothing to write home about either. He is another disaster area. Consider what is happening in Hammersmith. The Hammersmith Broadway development is one of the largest developments in an inner-city area. The appeal against it is already won. The inspector says that it is not appropriate and that there is not enough housing. What does the Secretary of State do? He overrules that decision, even though the developer and London Regional Transport, which proposed the plan, have agreed that it is not appropriate. Everyone agrees that the development is not appropriate but the Secretary of State steps in and overrules the decision, and one of the options that would have provided low-cost housing to take the strain off the areas about which Conservative Members complain. I certainly complain about my area, which has 10,000 people on the housing waiting list and 700 people in bed and breakfasts. When we left office there were none in bed and breakfast and only 4,000 on the waiting list and I thought that was bad enough. The Conservative party has created a nightmare.

Mr. Hardy: There is another monstrous likely development. There is a serious fear that sites for opencast mining will be identified and agreed without the public having to be informed and the normal planning process pursued. That means that anyone who considers their green belt an attractive area—I can think of several green belt areas in my own constituency that are enjoyed by local residents—may lose that enjoyment without having the opportunity to protest as the residents of Hammersmith have protested. Would my hon. Friend care to suggest that the Minister comments on that in her reply?

Mr. Soley: I shall not only suggest that the Minister comments on it. We should do something about making the developers pay some of the costs of the inquiries—an argument advanced by some Conservative Members and one with which I would agree.

The hon. Member for Weston-super-Mare said:

"If the Government say that because a house can be sold it should be built, then I am afraid that this is an issue on which we will take them on."

So much for this unreconstructed free marketeer. The free market can operate, but not if it affects Tory voters. We know that in housing and planning, as in a number of activities, the free market can be an unmitigated disaster unless we take an overall view of what is happening in the economy and in the nation generally.

I am sad that the hon. Member for Chipping Barnet did not address the real issue in greater detail. I agree with him that we need local planning controls and involvement, but we also need a strategy for Greater London, for the south-east of England and for the nation. That is where the Government have failed and where the hon. Member for Chipping Barnet has failed in his motion. Uneven economic development is hardly touched upon. The hon. Gentleman does not mention the fact that it will cause a crisis in the south-east.

The hon. Member for Basingstoke (Mr. Hunter) was right to say that he needed low-cost housing in his area, but he is not getting it. If he goes around Old Basing, he will find houses selling for between £150,000 and £250,000. They are certainly not being sold to those on low incomes in his area, and he knows it. What do the Government do? They break up the Greater London Council——

Mr. Hunter: Will the hon. Gentleman give way?

Mr. Soley: It would be at the expense of the Minister, I fear. I am not attacking the hon. Gentleman. I am simply saying that houses in Old Basing are selling for £150,000 to £250,000. They are not going to people on low incomes —a point that the hon. Gentleman made himself. The Government abolished the GLC, yet the GLC was one of the first organisations, along with some of the universities, to spot the fact that demographic change was crucial. We are witnessing something akin to what is happening in Los Angeles. At the very least, we are heading back to the development of new towns by accident.

I suspect that there is a far greater movement even than that, and that demographic change is moving people out of the cities back into rural areas far faster than ever before. It is probably the obverse of what happened in the last century or two, when people were moving from the rural areas into the cities. If that is right, we are looking at the possibility of an urban parkland stretching from Kent to Devon; the idea of a 250-mile limit like that for Los Angeles ceases to be a joke and becomes a reality.

It has suddenly occurred to Conservatives that this has political implications for them. About 450,000 new dwellings are needed in the south-east by the turn of the

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century. About 150,000, at the very least, are needed in London. The political pressure is building up. The hon. Members for Basingstoke, for Hampshire, East (Mr. Mates) and for Aldershot (Mr. Critchley) already have differences of opinion about whether the present Secretary of State or the right hon. Member for Henley (Mr. Heseltine) is right. That is why there are little articles in their local papers saying either, "I back the present Secretary of State for the Environment," or, "I back the previous Secretary of State. He is right." That is the trap for them.

The problem is not just about nice views out of windows but about job availability, environmental protection and enhancement and, above all, housing. The housing market in the south-east is frightening. The companies building the Channel tunnel employ engineers from all over the world. These companies have to offer to pay their engineers' mortgages because they cannot attract them without offering that incentive. In the Wirral, British Nuclear Fuels plc made some trainees redundant and one company found that potential recruits could not bridge the housing gap.

According to a report by Income Data Services,

"One manager admitted . . . that he 'fiddled' young employees' mortgage applications by counting overtime pay as basic earnings."

The Employment Institute has a similar point and reiterates what the IDS recognises, that there is a need for more low-cost housing in the form of council or housing association housing. Again, the Government are damned by their own statistics. There has been a two-thirds cut in council housing in Britain. In two years, only 138—not 138,000, 13,800 or even 1,380—new houses were built by housing associations in rural Britain, yet such houses have been sold off in rural areas faster than anywhere else because they are attractive to buy. If nothing new is built, the people who live in those areas have had it.

The 1981 census revealed that 70 per cent. of properties in some Cornish villages were unoccupied most of the year —that is what I mean by the "urban park" stretching for 250 miles. There is not one young family in a village in Dorset called Worth Matravers. The majority of properties there are second homes, selling for £90,000. The average manual worker's pay is between £80 and £90 a week. What are such people to do? What will happen to market rents when the Housing Bill comes into effect? The Minister can deal with that matter. The market rent on a property of £90,000 must be at least £200 a week, which is more than twice the average wage in that area. This is devastating.

The position is horrendous for what are, in effect, new clearances. Local authority dwellings have been sold at a much faster rate in rural areas than elsewhere. The private rented dwellings are often tied housing, and the Housing Bill will make a marginal difference to that. One article describes the position in Purbeck, Dorset and refers to

"Robert and Lesley Gillespie's three-bedroomed cottage in Langton Matravers."

The article states:

"Until February it housed them, three daughters, a son, two sons-in-law and three grandchildren. One daughter and son-in-law have gone with their baby to a winter letting in Swanage, which they must leave when the tourist season begins. The other young family has been told that if they were 'less choosy' about where they wanted to live they would be offered a council house 20 miles away in Bere Regis. There is no bus service back to the son-in-law's job in Langton, and he cannot drive. Forced to choose between housing and work, he asks: 'Why should people like us, who've always lived here, have to move out to make way for people who are just lucky enough to have a bit more money than the rest of us?'".

It is more than "a bit more". Whether it is a house for £150,000 or £250,000 in Old Basing or for £90,000 in Dorset, such people do not have a cat in hell's chance of buying or renting; I see that I am taking one or two Conservative Members with me. What the Government have done to the low-cost rented accommodation sector is catastrophic. One million homes have been lost from the rented sector since 1980, half from the Government's much-loved private rented sector. Already half are outside the terms of the Rent Acts, yet the rate of decline is accelerating.

In London there are organisations such as the Campaign for Homes in Central London, and we have written to the Minister to try to do something about the provision of homes in London. We should not have this joke from Conservative Members about the urban areas using up all the derelict land. There is derelict land to be used, but I say as a Londoner that I love the country—I want some country in London. I am fed up with the idea that we should all either move out to the country or face an urban sprawl, whether in the suburbs or in the inner cities.

The Government could do a lot worse than look at the policy put forward by Rural Voice, which would provide a way forward on some rural issues. We are faced with the horrendous possibility that housing for people on low incomes—whether rented or purchased, private or public —will not be available for a number of years. Even if the Government do a complete about-turn on their present policies and design more bizarre and taxpayer-funded Rachmanite schemes such as the business expansion scheme, the ability to increase the supply of rented property at low cost in less than three or four years is minimal. This will hit us devastatingly hard.

Why are there more homeless than ever before? Why are people packed into bed-and-breakfast accommodation? Why are council lists over-subscribed when people prefer council properties to private rented properties, as we know from the surveys? The reason is that the Government have slashed council house building. The Conservative-controlled Association of District Councils makes no bones about it. The ADC says, "The Government have sold off all our properties. They are not letting us build again." By not letting councils build again, the Government are destroying the rural communities, as the ADC rightly points out. That is what is upsetting the Conservative party, and it will end up upsetting it even more.

6.47 pm

The Parliamentary Under-Secretary of State for the Environment (Mrs. Marion Roe): I congratulate my hon. Friend the Member for Chipping Barnet (Mr. Chapman) on his speech. I welcome the opportunity presented by the debate to set out some of the key features of the Government's policy on planning matters.

Forty years of the post-war town and country planning system have served us well. The modern planning system had its origins in a perceived need to regulate development proposals that did not have proper regard to their impact or consequences on the locality. The present Government

have successfully directed their energies to the encouragement of economic growth and enterprise, but we have always recognised that the planning system must also provide an effective mechanism for protecting amenity and the environment.

Much has been said today and in the past few months about the pressure for development in the south, south-east and rural areas. The terms of the motion recognise the strength of our policy on green belts.

In reply to my hon. Friend the Member for Bromsgrove (Mr. Miller), I make no apologies for restating our commitment to the protection of green belts or for repeating that, since 1979, the area of approved green belt has more than doubled, from some 1·8 million acres to 4·5 million acres. Furthermore, we have said that developers who persist in pursuing applications for major developments in the green belt to appeal and through lengthy inquiries can expect to have costs awarded against them, as well as having their applications turned down.

However tight the control, some individuals will be tempted to find ways round the system, and that often concerns the public. Although local authorities have a wide range of powers to enforce planning controls, for a variety of reasons they do not always seem to be able to use them effectively.

We have recently carried out a review of the Department's procedures, with a view to improving efficiency in the handling of enforcement appeals. The action plan will be published soon. But, clearly, some local authorities think that the present powers are too difficult to operate or that, in some respects, they are inadequate. We are urgently setting in hand a policy review of the enforcement regime that I hope will lead to improvements in its effectiveness.

More recently, the focus of concern has shifted. Both here and outside, my colleagues and I are being pressed to adopt policies that would force all development into older urban areas and prevent any development elsewhere in the south-east. Paradoxically, we are simultaneously receiving representations to the effect that development pressure within urban areas is resulting in unsympathetic development that is changing the character of outer suburbs.

From rural areas, we are increasingly hearing complaints about the lack of housing that local people can afford. All those are real concerns. But we cannot have it all ways. We cannot simultaneously avoid any high-density housing developments in rural areas and make provision for the low-cost housing that is so clearly needed in those areas.

Mr. Simon Hughes: Will the hon. Lady give way?

Mrs. Roe: I am sorry. I cannot give way.

We cannot simultaneously preserve the integrity of the suburbs and refuse to allow development on new sites. It is precisely because they are real conflicts to resolve that the planning system is so vital. The reality is that pressure for development and, in particular, for new housing provision is a result of changes taking place within society. Because we live in and cherish the rights of a free society, we cannot control such changes, but must come to terms with them.

Several factors contribute to the demand for housing in the south-east. Migration from outside the region is one of the least significant. Far more important are factors such as increased life expectancy and fitness in old age, higher divorce rates, and the increasing tendency for people to marry later. That means more and smaller households. It needs to be understood that demand is coming mainly from within the south-east. If we deliberately curtail the supply of housing, those who will suffer will be those who are least able to afford the high prices that will result—for example, young people setting up their first home. In that case, there is unlikely to be a sudden widespread change in social attitudes or wholesale migration out of the region, but there might well be an increase in homelessness and in other social problems.

On the point raised by my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin), my right hon. Friend the Secretary of State has invited SERPLAN to consider the revised household projections provided by the Office of Population Censuses and Surveys. Those projections update earlier forecasts in the light of more recent trends. At present the forecasts are for discussion; they are not being imposed on the authorities concerned.

My right hon. Friend will shortly be meeting SERPLAN to discuss the effects of the latest projections of population and household formation on housing land supply in the south-east for the period to the end of the century. In his letter of 11 May to the chairman of SERPLAN, my right hon. Friend drew attention to three salient points about these projections. First, forecast housing needs will arise predominantly from the projected increase in population and in household formation within the south-east and Greater London, because of the factors that I mentioned earlier; secondly, forecast housing needs could easily be met if house building continues at the average level of the past few years, so we do not need to think in terms of a huge increase in house building in the south-east; and, thirdly, there is no reason to think that those needs can be met only at the expense of the green belt, areas of outstanding natural beauty, or any other statutorily protected areas. Of course the need to protect the countryside "for its own sake", as put forward in the ALURE package, still stands.

I remind my hon. Friend the Member for Chipping Barnet and the hon. Members for Southwark and Bermondsey (Mr. Hughes) and for Hammersmith (Mr. Soley) that, in the Housing Bill, we have introduced measures that will encourage the revival of the private rented housing market and provide for an enhanced role for the housing association movement.

It is often suggested that we should divert development pressure into urban areas by encouraging the use of derelict or unused sites in such areas, or that we should direct development towards regions outside the south-east. I am delighted to tell my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi) that the assistance of urban regeneration is one of the five purposes of green belts, set out in paragraph 4 of planning policy guidance note 2, which was published in January. Planning policy guidance notes are becoming the main source of Government advice and guidance, in clearer and more accessible form than circulars.

Of course we are encouraging development to take place in urban areas. Our inner-city initiatives are playing an important part in releasing land for development. Derelict land grant is helping to reclaim and bring back into use nearly 1,000 hectares of land every year. Since 1979, the proportion of grant spent in the inner cities has increased from 7 per cent. to 30 per cent. The success of the

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London Docklands development corporation in bringing development into an area of industrial dereliction is evident to anyone who visits the area. Much of the land made available by the corporation is providing sites for housing.

With another nine urban development corporations in existence, in addition to those in London docklands and Merseyside, we can expect to see more under-used urban land available for development. We recently announced a consultants' study into the scope forhousing development on large derelict sites bordering the Thames in east London, which, if they were brought back into use, could provide land for 20,000 to 30,000 houses.

Much development does take place on land that has previously been developed. Nationally, 46 per cent. of land used for new housing is reused sites or vacant land in urban areas. 55 per cent. of housing in London and the south-east is on such sites. The initiatives that I have described make a significant contribution to meeting the need for housing land in that way. But, despite all that is being achieved, it will be possible to meet the demad for new housing only if some carefully selected sites are also provided. To their credit, most local authorities in the south-east recognise that, and are matching up to their responsibilities. We cannot force development into inner cities, but if we did, and if sufficient such land were available—which it is not—it is questionable whether the environmental damage and the social consequences would be tolerable.

We must not neglect the needs of the rural areas. From visits to many parts of the country, I am particularly aware of housing problems faced in rural areas, especially by young people on low incomes seeking a first home. I am grateful to hon. Members representing such areas who have drawn some of their problems to my attention. The Government are looking to see what measures might be taken to help, and we hope to make an announcement shortly.

Mr. Robert Key (Salisbury): Will my hon. Friend give way?

Mrs. Roe: I am terribly sorry; I cannot give way.

Our primary aim has been to create the right conditions for the market, by stimulating the potential for growth based on private sector initiatives and resources. Equally important, it is no part of Government policy to direct people where to live or where firms should set up. That would risk losing development altogether.

So far I referred mainly to more strategic issues and to the kinds of national and regional guidance that are reflected in county structure plans. It is important that plans should make proper provision for development and that they should be kept up to date. Where that is done, there will, I believe, be less cause for anxiety about the possible development of sites not identified in plans. Local plans provide the means of working out sensible solutions to the problems of reconciling the needs of development and the interests of conservation. It is disturbing that the coverage of local plans is still incomplete. It is the local plan that makes detailed allocations of land and which should form the basis of most day-to-day planning decisions. But large areas of the country, even in those parts of the south-east that are under the greatest pressure for development, have no local plan.

Some local planning authorities seem to prefer to be without a detailed local plan, so that development proposals can be considered ad hoc as they come forward. Other authorities have adopted a practice of preparing "informal" or "bottom drawer" plans as a basis of development control, without subjecting them to proper procedures of public consultation and formal adoption. Neither is a satisfactory alternative to the preparation of a proper local plan. Informal documents and ad hoc decisions give no satisfactory guidance to developers, and afford no reassurance to local people about the overall pattern of development. Where there is no local plan, the local authority may find itself in a weak position in rejecting development proposals that should not be approved.

Likewise, the Secretary of State and his inspectors are greatly assisted in dealing with appeals if they can be considered within the framework of a relevant and up-to-date local plan. Indeed, inspectors necessarily take account of a local plan if it is up to date and formally adopted.

The Government's consultation paper on the future of development plans, published in September 1986, proposed that there should be comprehensive coverage of districtwide development plans throughout the country. The Government are confirmed in that view by the response to the consultation. We shall shortly be issuing for consultation a new draft circular on those lines, drawing local authorities' attention to the role of local plans.

My hon. Friend the Member for Chipping Barnet is concerned at the impact of unsympathetic development on some residential areas in the suburbs of London. He has proposed the establishment of special planning areas for areas that do not justify designation as conservation areas but which, nevertheless, have a character worthy of protection. It is important that we should not devalue the status and protection available in conservation areas. An area does not require any special designation to enjoy protection against inappropriate development, as normal planning control already provides it. In our view, special planning areas would add another layer to the planning system and to the bureaucratic apparatus needed to administer it. It is not realistic for national planning policy guidance to prescribe solutions for what are essentially local issues about the scale of development in particular areas.

I believe that the Government's policies for green belts and for protecting the countryside deserve and attract support from all quarters in the House. The concept of green belts is enduring and enjoys widespread popularity. If those policies are to be effective they must be balanced by equally effective policies for development. Conservation alone is not enough. Housing development is not a form of environmental pollution; it is about people, families and home ownership. The planning system exists both to facilitate development to assist national economic development and to conserve our natural——

It being Seven o'clock, proceedings on the motion lapsed, pursuant to Standing Order No. 13(2) (Precedence of Government business).

Orders of the Day

Civil Evidence (Scotland) Bill *[Lords]*

Order for Second Reading read.

7 pm

The Parliamentary Under-Secretary of State for Scotland (Lord James Douglas-Hamilton): I beg to move, That the Bill be now read a Second time.

This morning I was in Falkirk to inaugurate the building of the new sheriff court; if the Bill becomes an Act the new evidential requirements will be practised in that court.

The Bill is the Government's response to the Scottish Law Commission's report on corroboration, hearsay and related matters. That report was published in May 1986. The report is part of the Scottish Law Commission's overall consideration of the law of evidence. That subject was included in the Scottish Law Commission's first programme of law reform.

I am sure that hon. Members who represent Scotland and elsewhere and who are present would wish me to take the opportunity to pay tribute to the detailed consideration which has been given to this particular matter by the commission. The House would not, of course, expect anything less. Since its establishment by the Law Commissions Act 1965, the commission has produced a substantial number of reports dealing with a considerable range of issues. Those issues cover a wide spectrum of activity, some involving complex and technical legal matters, others involving matters of great social importance.

The Scottish Law Commission was set up by section 2 of the Law Commissions Act 1965 for the purpose of promoting the reform of the law of Scotland. Those somewhat formal words might suggest that the proposals put forward by the Commission are restricted to technical legal matters—"lawyers' law"—as some might put it. As I have suggested, that is far from the case. One has only to think of measures such as the Bankruptcy (Scotland) Act 1985 and the Debtors (Scotland) Act 1987 and family law legislation to realise that the areas of law dealt with by the Scottish Law Commission involve, to a considerable extent, the individual people of Scotland. The commission's work goes wider than that, as it can, in concert with its counterpart, the Law Commission for England and Wales, produce joint reports on matters of a United Kingdom interest and application. A recent example of such a report is the joint report on choice of law rules in marriage.

I think that the general regard in which the work of the commission is held can be ascertained from the rate of implementation of its reports. In its 22nd annual report the commission comments in paragraph 1.21:

"the rate of implementation by Parliament of our proposals continues to be a source of much encouragement to us".

I have worked out that, since its establishment in 1965, the Commission has produced 107 reports. That includes of course the commission's programmes of law reform and its annual reports. Of the 82 proposals that have been made for reform of the law, 72 have already been implemented and a number of those remaining unimplemented, include recent reports, one of which is the report that we are considering.

I am sure that my colleagues on the Front Bench will not take it amiss if I say that the Government cannot claim complete credit for the number of reports recently implemented. Over the years, a number of Scottish Law Commission reports have been implemented by private Members' Bills. In the past, as a Back Bencher, I played a part in the removal of the stigma of illegitimacy by promoting the Law Reform (Parent and Child) (Scotland) Bill to implement the recommendations of the Scottish Law Commission in its report on illegitimacy. For that Bill I even rated a minor mention along with the noble and learned Lord Wilson of Langside, in the Scottish Law Commission's 21st annual report covering its work during 1985-86. I have been glad to support the work of the commission and to have the good fortune to secure the enactment of some of its proposed reforms. So it is especially interesting now to be involved in the law reform process once again.

Hon. Members will know that reports of the Scottish Law Commission generally proceed after a comprehensive consultation process. That usually involves the issue of a consultative memorandum to interested people and bodies. Views on the proposals are then taken into account by the commission in coming up with its final recommendations contained in the report.

The Bill is no exception to that arrangement. In 1980 the commission produced consultative memorandum No. 46 inviting comments on propositions for reform of many aspects of the law of evidence. The commission, in paragraph 1.1 of the report, expressed its gratitude for the many constructive comments it received. In preparing its report, the commission also had the benefit of a research paper on the law of evidence prepared by Sheriff Macphail. I know that that paper is highly regarded by those with an interest in the law of evidence. Indeed, I note that the hon. and learned Member for Fife, North-East (Mr. Campbell) has a copy.

The report on which the Bill is based is therefore clearly the result of careful consideration by the Scottish Law Commission. It is worth making the point that when the report was submitted to my noble and learned Friend the Lord Advocate he also arranged for views to be sought on the commission's actual recommendations. Those views were, of course, carefully considered by my noble and learned Friend before he formulated the policy now contained in the Bill. On Second Reading in the other place my noble and learned Friend paid tribute to those who had taken the trouble to comment on the consultation carried out on his behalf. I have no hesitation in echoing his tributes. The comprehensive consultation carried out by the commission and by my noble and learned Friend, the detailed scrutiny of the proposals and recommendations and the constructive comments and criticisms received have meant that the Bill has what I believe to be a very sound base for the reforms contained in it.

It would be for the convenience of the House if I took this early opportunity to make it clear that the Scottish Law Commission's proposals are concerned with evidence in civil proceedings only. As the title of the Bill implies, it does not in any way disturb the existing requirements on corroboration and hearsay in criminal proceedings.

[Lord James Douglas-Hamilton]

In arriving at the recommendations contained in its report, the Scottish Law Commission had in mind two guiding principles:

"First, that the law should be simplified to the greatest degree consistent with the proper functioning of a law of evidence; and, secondly, that as a general rule all evidence should be admissible unless there is good reason for treating it as inadmissible."

To my mind those are principles with which all hon. Members present could readily agree. I think that they would commend themselves particularly to those of us who have sought to unravel some of the existing complexities of the law of evidence while advising clients or trying to present a case in court.

When the Scottish Law Commission came to apply those guiding principles to the existing law of evidence, it found that in certain elements the rule requiring corroboration and the rule against hearsay could present barriers to the presentation of an otherwise good case. The commission took the view that, although corroboration had been regarded as a safeguard against the acceptance of unreliable evidence, its consideration of current law and practice led it to conclude that a formal requirement of corroboration was not in the overall interests of justice. It arrived at similar conclusions on the rule against hearsay. It found that the development of the rule against hearsay had led to its acquiring qualifications and exceptions that made the law complex and difficult. It involved fine and difficult distinctions. The commission came to the view that the exclusion of hearsay could, in many cases, lead to a risk of injustice.

I shall deal later in a little more detail with the difficulties of the present law. Suffice it to say for the moment that the commission recommended in broad terms the abolition of the requirement for corroboration and the abolition of the rule against hearsay. The aim is to achieve a situation in which, in very general terms, a court should have available to it all the relevant evidence from whatever source. The Bill implements those recommendations and achieves that aim in clauses 1 and 2.

Having set the scene, as it were, I think that it would be helpful to the House if I dealt with the Bill in detail.

Clause 1 implements the first main recommendations of the Scottish Law Commission, which is to abolish the requirement for corroboration in civil proceedings. I think that it would be helpful to hon. Members if I briefly ran over the position under the present law. This will, I think, serve to illustrate why the House should, in the Government's view, look favourably on the abolition of corroboration.

As hon. Members know, under the present law the general rule is that to be successful a party must establish his ground of action by providing certain crucial facts. The general rule is that a crucial fact cannot be proved by the testimony of one witness alone. That witness's testimony must be supported by evidence from another source—in other words, corroborative evidence.

For example, let us suppose that the hon. Member for Glasgow, Garscadden (Mr. Dewar) were to engage a builder to construct a wall and laid down requirements that it should be a 6 ft high wall made of red brick. Let us suppose also that the result was that the hon. Member found that the wall had been built of yellow brick and to an entirely different specification. Now, if the hon. Member was a prudent man, he would have had all the specifications written down in a written contract. However, if he had not written it down, because the pressures of parliamentary business were too great and he had conducted the matter quickly by telephone, he would not have any corroboration of the fact that he had requested the wall to be built according to certain specifications and colour. In those circumstances, he would have little chance of success if he pursued the matter in law against the builder.

Let me make it clear that I do not for one minute discount the importance of corroboration. However—this is one of the key factors in my argument—what we are considering is whether, as a matter of law, someone should always be precluded from success if he is unable to provide corroboration on every point necessary for the establishment of his case. Hon. Members will, I am sure, agree that such a situation should be avoided if the law of evidence is to cater for the proper resolution of disputes in civil proceedings.

If we were to look at the development of case law in this area, we would come across instances where the courts have found it possible, when satisfied as to a witness's reliability, to be satisfied also that corroborative evidence can be found in what the Scottish Law Commission describes as

"circumstantial evidence of flimsy or doubtful import".

Some hon. Members may ask why, if the courts are, in certain circumstances, prepared to find corroboration so readily, the requirement needs to go. However, although such instances can be found, equally there are instances where a court has been compelled, however unwillingly, to come to a decision based on the absence of corroboration. There is therefore a view that in certain circumstances an otherwise honest and credible case is doomed to failure —indeed, is doomed never to be heard—simply because the often technical barriers of corroboration cannot be surmounted.

Parliament has sought to remedy this situation, albeit in piecemeal fashion. For example, in section 9 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1968 —*[Interruption.]* Perhaps the hon. Member for Paisley, South (Mr. Buchan) was a Minister involved in that legislation.

In section 9 of that Act the requirement for corroboration was removed in actions for damages for personal injuries. More recently, under the powers in section 2(2) of the Divorce Jurisdiction, Court Fees and Legal Aid (Scotland) Act 1983, my noble and learned Friend the Lord Advocate made orders prescribing undefended divorce cases based on two and five-year separations as actions in which corroboration is not required.

Mr. Donald Dewar (Glasgow, Garcadden): I am encouraging the hon. Gentleman to go on rather more lengthily than he otherwise would. He referred to the debate on section 9 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1968. No doubt he will have read of the splendid attack on that led by the present Lord Wylie from the Conservative Front Bench, and will remember that the Conservatives voted to exclude that clause from the Bill. I wonder why there is the change of mind.

Lord James Douglas-Hamilton: I am glad to say that we are only too happy to learn from experience. When the Bill

was submitted in the other Chamber, both Front Benches gave it a warm welcome. One of the key points was that for over 20 years the Act had been successful in that respect and there had not been any problems.

The House will see, therefore, that the removal of the requirement for corroboration is not a novel idea. In the cases I have just mentioned, the provisions have worked well and have not had any adverse effect on the administration of justice. In addition, hon. Members will be aware that certain types of civil dispute, involving matters of considerable importance to the parties, are determined by tribunals and inquiries. Many of these bodies operate under their own procedural rules in which their deliberations are not bound by the strict rules of evidence applied in the courts. For example, under the rules of procedure for Scottish industrial tribunals, a tribunal is not

"bound by any enactment or rule of law relating to the admissibility of evidence in proceedings before the courts of law".

The position of tribunals is now well established under our present law as an effective and efficient means of resolving certain types of dispute. I have already mentioned the important role that they play in matters which are of substantial importance to the parties involved. Their effectiveness is due in no small measure to their ability to consider all relevant evidence, even though that evidence may be uncorroborated or may be hearsay.

The Bill preserves that important feature of tribunal proceedings, while still allowing the conduct of their proceedings to be specifically regulated by their own tailormade rules.

The example and experience of tribunal proceedings is a useful piece of evidence in support of the relaxation of corroboration and hearsay requirements in all civil proceedings.

Mr. Menzies Campbell (Fife, North-East): Can the hon. Gentleman tell us whether what he has said applies in the case of someone wishing to make a complaint relating, for example, to defective dental treatment? Do not the regulations and rules relating to tribunals of that nature require corroboration? Does the Bill do anything to relax that requirement?

Lord James Douglas-Hamilton: The tribunals are able to make their own rules, and in certain cases the parties concerned come to an agreement. The Bill would generally relax the rules relating to civil procedures, but, as the hon. and learned Member for Fife, North-East has said, there may be exceptions. I will look at the case he has mentioned and write to him in due course.

Mr. Dewar: The hon. Gentleman is making a virtue of the fact that the Bill ensures that, unless special arrangements are made by the parties to reinstate hearsay and corroboration as it is now, they will have the advantage of relaxation. If I remember rightly, that came about as the result of an amendment from Lord Morton of Shuna and not from the Government.

Lord James Douglas-Hamilton: I make it clear to the hon. Member for Garscadden that we welcome good ideas from wherever they come, and the hon. Member's colleague, Lord Morton of Shuna, welcomed the Bill in the House of Lords. There is no dispute between us on that point.

When the Scottish Law Commission went to consultation on its proposals, the majority of commentators were in favour of the abolition of the requirement for corroboration. That was true also of the consultation carried out on behalf of my noble and learned Friend the Lord Advocate.

For the reasons that I have outlined, the Scottish Law Commission concluded that the requirement for corroboration should be removed in civil proceedings. I fully endorse that recommendation, and take the same view as the Faculty of Advocates. In responding to consultation on behalf of my noble and learned Friend the Lord Advocate, it said that the retention of the requirement for corroboration

"is out of keeping with the general trend in the development of the law of evidence to remove technical obstacles from the path of truth finding".

I should say to the House that the rules on corroboration and hearsay have substantial practical implications.

The requirement for corroboration can lead to unnecessary expense, delays and inconvenience. One difficulty in this area of the law is that it is not always easy to judge what are the essential facts that must be proved and thus require corroboration. Such a fact may be only a relatively minor link in the chain of evidence and, indeed, may not be contested by the other party. However, a party's advisers may feel that there would be substantial risk of the entire case collapsing because what at first appeared to be a minor point was uncorroborated. That leads to their producing as much corroborative evidence as possible with consequent extra work, expense and taking up of court time.

Under the Bill, while a party would still seek to produce corroboration on major points in dispute, he would be able to do without such corroborative evidence on matters that, although technically essential, are, in practice, formalities. If that were so, I believe that there would be valuable savings both for the parties in preparing cases and in court time.

I appreciate what the hon. Member for Garscadden said about the importance of the best evidence being available to the courts—*[Interruption.]* Well, that was the implication behind his question.

Mr. John Home Robertson (East Lothian): That is hearsay.

Lord James Douglas-Hamilton: Hon. Gentlemen can elaborate on their comments in due course.

I should perhaps stress that we are here dealing with questions of admissibility. The Bill does not in any way fetter the power of the courts to decide what weight should be placed on a particular item of evidence. That is an important point, and I am glad to take this opportunity to stress it. The Bill seeks to remove the technical barriers of corroboration, while at the same time retaining the judge's power to decide whether he is satisfied with any particular piece of evidence before him.

The Bill takes the opportunity in clause 1(2) to abolish specifically the concept of corroboration by false denial. That is a special rule applicable only in cases for the establishing of paternity. Under the rule, denial by a defender in the witness box of a material fact which is later proved to be true may be accepted as corroboration of the pursuer's evidence as to paternity. The rule has been described as

"at best a doubtful doctrine".

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The second main recommendation proposed by the commission is the abolition of the rule against hearsay. That is implemented in clause 2. I think that it would be of benefit to the House and might again serve to illustrate the need for reform if I dealt briefly with the existing law. Under the present law, hearsay evidence is generally not admitted. The rule is, broadly speaking, to the effect that statements made other than by a witness giving evidence in court are inadmissible. The rule applies to both oral and written statements.

However, the present law admits a number of exceptions to the general rule of hearsay. I have mentioned already the practical problems of the requirement for corroboration. Similar problems arise through the exclusion of hearsay evidence. In many cases, the point to which the evidence is directed is a minor or uncontroversial one which the other party is unlikely to dispute. I have already said that in practice such hearsay evidence is often admitted—that was the view of the commission.

However, as with corroboration, a party seeking to establish that fact cannot be certain of the evidence being admitted and thus may go to considerable trouble, expense and time to ensure that direct evidence is available to prove a fact that is not a major issue in the case. The expense and difficulty may be out of all proportion to the importance of the point and in such a case, the rule against hearsay may be said to operate to increase the cost of litigation unnecessarily. Abolition of that rule would therefore contribute to savings both in expense and in court time.

In considering whether the law relating to hearsay should be reformed, the Scottish Law Commission felt that the number of problems and inconsistencies pointed towards the need for relaxation.

For example, res gestae forms an exception to the general rule against hearsay. [HON. MEMBERS: "Define it."] Hon. Members have asked me to define it. Res gestae are statements which form an integral part of, or are closely connected with, the facts in issue and go to the essence of a case. Thus, a witness could give evidence that he heard an injured colleague at work shout, "Look out," just before an accident. Although strictly speaking hearsay, that evidence would be admitted under the res gestae rule. The difficulty is in deciding how closely connected with the event the statement has to be.

Problems also arise with what are termed extra-judicial admissions. For example, an admission by one party is admissible as evidence against himself or herself but not as evidence against a co-defender. That is an example of a court having the difficult task of having to admit a statement for one purpose, but to ignore it for another.

The Scottish Law Commission concluded, therefore, that the existing law, with its general prohibition and detailed exceptions, was unduly complicated. Hon. Members will say that a lot of our law is unduly complex. More importantly, however, the commission took the view that exclusion of hearsay evidence operated unreasonably to exclude potentially valuable evidence. I fully accept that view. There are numerous instances where hearsay evidence is quite simply the best evidence available. To exclude it because of technicalities serves only, in my view, to deny the courts the opportunity to hear all the relevant evidence.

I am supported in that view by reference to the comments of Lord Wilberforce in Waugh *v.* British Railways Board, a case heard in the Appeal Court in 1980. Speaking of a report made shortly after a railway accident, Lord Wilberforce said:

> "It is clear that the due administration of justice strongly requires disclosure and production of this report. It was contemporary. It contained statements of witnesses on the spot. It would be not merely relevant evidence but almost certainly the best evidence as to the cause of the accident."

The present exceptions to the rule against hearsay do not provide a satisfactory solution. They have, as the commission states, been developed ad hoc to meet particular difficulties.

We have, of course, examples already of the relaxation of the rule against hearsay. In practice, it is quite common for hearsay evidence to be admitted by the courts in matters which are not of overwhelming importance. In addition, I have already cited the relaxation of corroboration requirements in proceedings before tribunals and inquiries. Those proceedings also allow hearsay evidence without any apparent diminution of the standard of justice.

It is fair to say that the consultation carried out on behalf of my noble and learned Friend, the Lord Advocate revealed a number of substantial comments and criticisms against the proposal to abolish the rule against hearsay. For example, the sheriffs association opposed the recommendation largely on the grounds that hearsay is not the best evidence. It was suggested also that the law should be reformed by extension and clarification of the existing exceptions to the general rule against hearsay.

Mr. Kenneth Hind (Lancashire, West): My hon. Friend has no doubt had an opportunity to consider the Civil Evidence Act 1968 for England and Wales. It is interesting to note that the Scottish Law Commission drew a parallel between the Bill and the 1968 Act, and recommended that the party against whom hearsay evidence is to be used should put the other party on notice. Has my hon. Friend now totally discounted that as a possibility? Such an action would be taking one by surprise and would be almost ambush evidence. Has my hon. Friend decided not to pursue that?

Lord James Douglas-Hamilton: My hon. Friend has raised an important point to which I shall come in a moment. On consultation, the Association of Sheriffs Principal made it quite clear that it was not in favour of the notice procedure. The Association of Reporters of Children's Panels was against the notice procedure, as was the Convention of Scottish Local Authorities, Lord Elliot of the Lands Court and the Faculty of Advocates. However, I shall come to that in a moment, together with the reasons why the Government rejected that view.

The Association of Sheriffs Principal was concerned that reform of the law might make the situation more complex. I think it fair to say, however, that its comments were directed more at what it saw as procedural difficulties.

On the other hand, the Faculty of Advocates expressed broad agreement with the proposed abolition. A working party of Court of Session judges also conceded that some judges of the Court of Session held the view that the hearsay rule might, with advantage, be abolished. The Bill has got it right in its abolition in clause 2 of the rule against hearsay. While I fully appreciate the views of those who were opposed to, or at least wary of, such a reform, I do

not think that retention of a complex rule or its modification would meet the needs of a law of evidence whose rules must cope with the problem of ensuring that all relevant evidence is available to the court.

Mr. Michael Fallon (Darlington): My hon. Friend has referred to evidence being relevant. Can he confirm that the admissibility of hearsay evidence is changed under clause 2 and that hearsay evidence admitted will be subject to the same, and no less strong, tests of relevance as any other evidence?

Lord James Douglas-Hamilton: It will be for the court to give appropriate and due weight to all the evidence before it. The more distant the evidence, the less weight it will carry, which stands to reason.

Mr. Hind: My hon. Friend the Member for Darlington (Mr. Fallon) has raised an important point. If one of the parties has no notice of the evidence and is not able to test it, it will be difficult to cross-examine on that evidence. The judge must consider that it is of less probative value than first-hand evidence that he hears.

Lord James Douglas-Hamilton: The Government came down against that view because they felt that it would lead to the reintroduction of hearsay by another route, would be complicated and would make the reform not worth following through.

As hon. Members have pointed out, the Bill departs from the commission's recommendations about a notice procedure for the admission of hearsay evidence. The commission proposed that a party wishing to rely on hearsay evidence would have to convince the court that it was neither reasonable nor practicable to bring along the maker of the hearsay statement to give evidence. If the court came to the view that the maker of the statement could have been brought to court, it could refuse to admit the hearsay evidence.

As an adjunct to that proposal, the commission's Bill contained a notice procedure, to which my hon. Friend the Member for Lancashire, West (Mr. Hind) has referred. That would have enabled a party to notify his opponent that he intended to rely on hearsay evidence. Unless his opponent served a counter-notice objecting to the hearsay evidence, he would lose his right to object at the proof itself.

A number of those who responded to the consultation on behalf of my noble and learned Friend the Lord Advocate were of the view that, while reform was necessary, the commission's proposal to allow the courts to retain a power to refuse to admit hearsay evidence, together with an associated notice procedure, could have the effect simply of reintroducing the rule against hearsay.

The Government were persuaded by this argument, and the Bill simply abolishes the rule against hearsay by providing in clause 2(1)(a) that evidence cannot be excluded solely on the grounds that it is hearsay. I should emphasise to the House that that leaves untouched any other means whereby evidence might be considered inadmissible. For instance, the court might hold that evidence was irrelevant and could be excluded on that ground, whether or not it was hearsay.

As with corroboration, the court retains its power to attach due weight to the hearsay evidence. Therefore, the Bill seeks to ensure that potentially valuable evidence is not lost to the court, resulting in injustice to any of the parties. The court, however, is still able, and indeed obliged, to consider and evaluate the evidence put before it.

Those hon. Members who followed the debate on the Bill in the other place will have noticed the references made by my noble and learned Friend the Lord Advocate to the position of civil juries in questions of hearsay evidence. The Lord President of the Court of Session said that civil juries in the Court of Session might have some difficulties in evaluating hearsay evidence. *[Interruption.]* Hon. Members are being extremely provocative. I have absorbed every word of the report, which makes it clear that these difficulties might arise.

While my noble and learned Friend appreciated the problem, the small number of civil jury trials in the court —there were only four in 1985, as hon. Members know —did not merit the rejection of what is seen as a valuable and important reform. Rather, my noble and learned Friend took the view that consideration might be given to abolishing civil jury trials in the Court of Session. That has already been done for the sheriff courts by the Law Reform (Miscellaneous Provisions) (Scotland) Act 1980. My noble and learned Friend the Lord Advocate has not of course arrived at any conclusions yet, but he intends to consult interested parties on this important subject.

I should draw to the notice of the House the provisions of clause 2(3) and (4) which were inserted by the Government during consideration of the Bill in the other place. At first sight, these subsections seem merely technical, but they are important additions to the Bill. They refine the existing powers of the Court of Session to make procedural rules for actions in the Court of Session and the sheriff court for the admission of statements, including affidavits and reports instead of oral evidence.

Mr. Frank Doran (Aberdeen, South): Is the Minister aware that the Second Reading debate in the other place, which involved three of the most prominent Scottish Ministers, took only 34 minutes? He has already managed to exceed that, and he has not yet reached clause 3.

Lord James Douglas-Hamilton: Our Committee proceedings may be brief, and it is only fair that hon. Members should have a clear picture of an extremely important Scottish legal measure. It is appropriate that matters of supreme importance to the legal system of Scotland, which is one of the finest in the western world, should be debated fully on the Floor of the House.

The existing rules of court provide for the admissibility of statements in certain circumstances. For example, rule of court 152 provides:

> "In any Admiralty or commercial cause the Court may accept as evidence affidavits. Where in the opinion of the Court any affidavit produced is insufficient to enable the question at issue to be disposed of, the party lodging the same may be called on to lodge a supplementary affidavit, or, where the circumstances reasonably permit, to provide the relevant facts by the ordinary rules of evidence."

In rule of court 168, which deals with undefended actions of divorce and separation and aliment, subsection (4) provides:

> "Proof in all actions shall, unless in any particular action the Court otherwise directs, be by way of evidence submitted in the form of affidavits and such evidence shall not be treated as being insufficient for the purpose of proof by reason only that it is not supported by parole evidence".

To that extent, the rules are overtaken by clause 2(1)(b), which provides for the general admissibility of statements. Subsections (3) and (4) therefore amend the existing

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rule-making powers to remove the power to provide for the admissibility of statemens. Such a power is unnecessary and could also be said to be in conflict with the provisions of the Bill.

However, as well as providing for the admissibility of statements, the powers and rules also serve the secondary purpose of providing that those statements may be capable of being received in evidence without requiring further proof as to authenticity. It appears to be generally accepted in practice that that is the position, but it is not entirely clear whether all statements admitted in this way will be capable of being received without further authentication—in short, to be self-proving. There is some doubt whether the existing powers would be sufficiently wide to enable rules to specify that a document is self-proving in isolation from specifying its admissibility.

Therefore, these subsections restate the rule-making powers in a form designed to deal with the self-proving aspect. In this way, the Bill establishes the proper distinction between statements which are simply admissible under clause 2(1)(b) and those statements to which the court has decided to accord special status as being not only admissible under clause 2 but self-proving in the circumstances prescribed by rules of court.

I have dealt with the main proposals implemented by the Bill and I shall now deal with the third main aspect of the Bill, which is the type of proceedings in which the new evidential rules are to apply. That is governed by clause 9, but I think that it will be for the convenience of the House if I deal with it now.

I have mentioned that the Bill applies only to civil proceedings. It does not deal with the question whether certain types of proceedings can be classed as civil proceedings. For example, proceedings in respect of breach of interdict may be regarded as civil, criminal or quasi-criminal. This classification will continue to be a question for determination by the courts in each particular case.

Clause 9 defines the types of proceedings to which the Bill applies. These include, of course, proceedings in the ordinary civil courts. The Bill also makes it clear that hearings before the sheriff under section 42 of the Social Work (Scotland) Act 1968 are to be regarded as civil proceedings. That relates to the conduct of children's hearings and applications to the sheriff for findings.

Following the most useful discussions in the other place on the Bill's application to civil proceedings the Lord Advocate introduced amendments so that the Bill applies to proceedings before arbitrations, tribunals and inquiries, and to proceedings that are conducted in accordance with rules of procedure agreed between the parties themselves.

Hon. Members will appreciate that a feature of proceedings before tribunals, arbitrations and inquiries is that they are almost invariably regulated by rules that are contained either in statutory form or in an agreement between the parties. Those rules usually make some provision for the rules of evidence that are to apply. It is right that the Bill should make available to such proceedings the benefit of the more relaxed evidential regime that will be in use in the ordinary courts. It is also right that the ability to make special rules for those proceedings should remain.

For that reason, in the Bill's application to arbitrations, tribunals, inquiries and proceedings conducted in accordance with a procedure agreed between parties, an exeption is made for instances in which specific provision has been made for the evidential rules that are to apply. I think that that answers the point made by the hon. and learned Member for Fife, North-East. The Bill thus enables opting out of the new rules and accommodates alternative evidential regimes set down by, for example, tribunal rules or agreement between the parties where that is competent.

I have covered the main framework of the Bill and the background to the considerations applied to it. Much of the remainder of the Bill in clauses 3 to 8 deals with matters related to the main proposals on corroboration and hearsay.

Clause 3 deals with prior statements. Under the present law, the credibility of a witness can be attacked by reference to prior inconsistent statements made by him or her on another occasion. Curiously enough, however, the witness's credibility cannot be supported by reference to prior statements that are consistent with his evidence in the witness box. The Bill corrects that anomaly by allowing prior statements to be admissible for both attacking and supporting credibility. However, there is an exception to that broad rule. By virtue of the definition of "statement" in clause 9, a precognition cannot be used to support or attack credibility. A precognition is simply an account prepared by another person, such as a solicitor, of the evidence likely to be available from a witness. Thus, a statement in a precognition is different in nature from a statement made by the witness himself.

Clause 4 ensures that the fact that a person has been present in court during the proceedings does not prevent him from being called as a witness or recalled to give evidence to clarify hearsay evidence admitted under clause 2.

Clause 5 builds on the present law, which allows certain relaxations of the evidential rules on proof of documents. Normally a document requires to be spoken to by a witness before the document and any statement contained in it can be admitted as evidence. That rule is relaxed under both common law and statute in respect of certain business books and records—for example, bankers' books under the Bankers' Books Evidence Act 1879.

As for other types of documents, I am sure that hon. Members who have been involved in court proceedings will be aware of the difficulties sometimes encountered when witnesses have to be brought to court simply to speak to the fact that they were involved in the preparation of documents that are productions in a case. That can at times lead to unnecessary delay and expense. Clause 5 will minimise the difficulty by enabling an appropriately certified document of any business or undertaking and any statement in that document to be proved in court without the need for a witness to speak to it.

Clause 6 provides further assistance for a party wishing to rely on documentary evidence. Under present evidential requirements, and subject to certain relaxations, original documents rather than copies must be produced unless the parties can agree otherwise. That can lead to difficulties in lengthy cases involving original documents that may be required for other purposes. The clause enables a properly authenticated copy document to be admitted and treated for evidential purposes as if it were the original.

The problem addressed by clause 7 has not yet arisen in Scotland, but it is right that the opportunity presented by the Bill should be taken to provide a solution. In civil proceedings, it may on occasion be necessary to prove that a particular record simply does not exist. Clause 7 therefore admits the evidence of an officer of a business or undertaking as to the absence of a record without the need to produce all the existing records, as would be required at present.

Clause 8 clarifies and restates the law on actions on family relationships, such as actions for divorce or parentage. In broad terms, the Bill retains the fundamental requirement that in such cases it is necessary for the pursuer to establish the grounds of action before he or she can be successful. That rule applies whether or not the action is defended. In addition, the evidence to establish the grounds of action must come, at least partly, from a source other than a party to the marriage.

In the context of family relationships, I am sure that hon. Members will agree that, as far as possible, the legislative rules should be capable of reflecting the social and legal requirements of the day. For that reason, the clause gives the Lord Advocate power to disapply the requirement that evidence should come from another source. But I should make it clear to hon. Members that Parliament will have an opportunity to discuss any changes of this nature, since the order is required to be made by affirmative resolution.

The remaining clauses are formal, but I have already mentioned the important definition of civil proceedings in clause 9. I should also draw hon. Members' attention to clause 10(2), which provides that changes in the evidential rules will not apply to proceedings in which proof has commenced before the date of operation of the Act—if the Bill is enacted. That avoids the undesirable situation of parties being subjected to a change in the rules of evidence part way through a proof.

I have dealt in some depth with the provisions of the Bill and the background to it. I did so because the Bill had a commendably rapid passage through the other place. In case the Bill has a similarly brief passage through this house, it is desirable that hon. Members should know in detail what is proposed.

This is an important and, some might say, a radical measure of law reform. Although the Bill contains substantial changes in the rules of evidence in civil proceedings, the Government do not envisage a marked change in the way in which cases will be presented. It is true that, if the Bill is enacted, parties will be able to rely on uncorroborated evidence and hearsay evidence. However, parties will, I am sure, continue to seek to put before the court the best evidence available to them. I expect, therefore, that they will continue to lead corroborative evidence where it is available and bring the makers of statements before the courts whenever possible.

In instances where that is not possible, the Bill will ensure that courts will still have before them as much relevant evidence as possible. As a result, neither party will be penalised simply because potentially valuable evidence is excluded on technical grounds. A party will thus be able to proceed with an otherwise good case which under the present evidential regime would be doomed to fail because of an inability to meet technical requirements of corroboration or to produce evidence that was hearsay.

I am glad that the Bill received a generous welcome in all parts of the other place, and I hope that it will find a similar welcome here. It is a thoroughly valuable law reform measure. I look forward to the speech by the hon. Member for Garscadden.

7.47 pm

Mr. Donald Dewar (Glasgow, Garscadden): The Scottish Conservative party conference has had a narrow escape. Obviously, the Minister was anxious to get something off his chest. I understand that he was inaugurating Falkirk sheriff court today. I do not know whether that meant that he was filling up the first legal aid application or locking the first cell door. I am certainly in favour of a total moratorium on public expenditure in that area if it has the effect upon the hon. Gentleman that we have just seen.

The Minister gave an extraordinary performance I recognise, of course, that this is a significant law reform measure, but I wonder whether it is a good use of Civil Service resources to type out, for the Minister to read, the entire report by the Scottish Law Commission and to interpolate into it a few broken fragments from the Lord Advocate's speeches in the House of Lords. That does not reflect a great deal of credit upon the Minister.

I should start by declaring an interest. I am still a partner in a Glasgow law firm and to that extent I have an interest in the law of evidence in Scotland and, perhaps in a more direct sense, in legal aid and litigation in Scotland. However, it is a very remote interest.

We support the Bill. It is well on its way through the legislative process, and has encountered surprisingly little controversy. It has gone through the House of Lords, where there were some brief exchanges, Lord Morton of Shuna exchanging some elegant courtesies with the Lord Advocate in very short order. Members of the other House have habits which could be learnt with some advantage by the Government.

There has been little sign of professional concern. I have not been involved in, or the object of, any lobbying, and there has been no real stir or controversy over the measure. Although the Minister talked about wide consultation, according to the appendix to the Law Commission report there have been only 17 submitted written comments on the consultative memorandum No. 46. I find that a little surprising. It does something fairly fundamental in removing the need for corroboration and admitting hearsay evidence, even if that is confined to the civil code and does not spill over into the criminal law.

I have a long memory. The Minister has referred to the Law Reform (Miscellaneous Provisions) (Scotland) Act 1968. I am glad to see my hon. Friend the Member for Paisley, South (Mr. Buchan) in his place, as he was the Minister who took that Bill through the Commons. He and I are among the few who can say that "we woz there", although the hon. Member for Dumfries (Sir H. Monro) also played a part in the proceedings by voting against the removal of corroboration from actions for personal injury. As I said in a brief intervention, that is one of the slightly strange factors. Section 9 of that Act did exactly what this Bill is doing, but in a much more limited sense, because it related to only one or two specific types of categories of case, of which actions for personal injury were by far the most important.

We heard an extremely spirited attack from the Conservative Benches in 1968. Norman Wylie—a popular

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and respected Member at the time, now Lord Wylie and on the Court of Session Bench—led from the Front Bench. He said:

"These are provisions to which as a Scottish lawyer I take the strongest possible exception."

To be fair to him, he followed it through, and the Conservatives voted against clause stand part at the Committee stage. A certain Mr. Hector Monro was among those opposed to the reform. Who knows? We may even hear a small personal statement about why he has changed his mind. I presume that he is not leading a similar attack on the Government's policy this evening.

Norman Wylie went on to make it clear that in his view the whole proposition was unsound. The principle of corroboration, he said,

"provided a safeguard against the acceptance of untrue and unreliable testimony. This Bill proposes to abolish that requirement in a large tract of civil litigation . . . In my career of fifteen or sixteen years at the Bar I can only think of one case in which I had to advise that there was insufficient evidence to enable an action to be raised, and having regard to the later decisions of Cleisham *v.* the British Transport Commission I would certainly not have given that advice today."—[*Official Report, Scottish Grand Committee*, 19 March 1968; c. 24-5.]

On that basis he consigned, or tried to consign, the whole reform to the dustbin. It was not just a personal quirk; Wylie took the Conservative party with him. Perhaps I should say that I am pleased that Conservative Members have thought again about the matter in the considerable interval that has elapsed.

I notice from reading the reports that I supported the relaxation of the rule then, and I do so again tonight. It was quite an interesting debate. I was followed—this is a real piece of memorabilia—by Sir Hugh Lucas-Tooth. In those days, there was a different kind of hon. Gentleman on the Conservative Benches. In any event, I want to make it clear that we support the proposal on corroboration.

I have some reservations; in a strange way, I have more than I had in 1968. Then, a narrow exception was being introduced to right what was seen as a specific wrong. The House was unashamedly being a pursuer's man. We were saying that there were people who clearly deserved redress, and we strongly suspected that the court felt that they should receive it, but because of the technicalities of the need to find corroboration—even with all the ingenuity and the relaxation of the law—in some cases it was not possible to give that redress. It was very much in that spirit that we were moving to legislate. Now, of course, we are unashamedly removing altogether the rule about corroboration in civil cases. In a sense, that is a much more serious move, and although I give it my support, I think that it is worth stopping momentarily to consider the arguments.

The bare facts are stated, and the Minister quoted from the Scottish Law Commission report. However, let me quote briefly from paragraph 2.1:

"The requirement of corroboration has been regarded as a safeguard against the acceptance of unreliable evidence. Our consideration of current law and practice in civil proceedings, however, has now led us to the opinion that a formal requirement of corroboration in such proceedings is not in the overall interests of justice."

If that position is to be accepted, that is the end of the matter. I suppose that there is now a consensus which I have joined, but I think that the House should recognise that a considerable change is involved.

The argument on hearsay is similar. Perhaps I can do a bit of special pleading. I was never very comfortable with the rather artificial rules and definitions that surround the matter, and the niceties of simple and multiple hearsay as discussed in the report that we have, in effect, before us in legislative form.

I agree that there are arguments for retention. I am not particularly impressed with the jury's difficulty in evaluating hearsay evidence. The Minister mentioned that the Lord Advocate is considering the fate of civil juries. I should have thought that it was not a major issue, although I may be wrong. I see that the hon. and learned Member for Fife, North-East (Mr. Campbell) dissents, but I have considerable sympathy with the survival of a form of procedure that has almost fallen into desuetude. No doubt we can consider that on a future occasion.

I should be interested to hear something about the timetable. Perhaps the Minister will say a word about it when he sums up. He said, in his usual way, that there would be further consultation and that all interested parties would have a chance to have their say. But it is now six months since Lord Cameron of Lochbroom spoke on Second Reading in the House of Lords. I should have thought that, even if he had not reached a decison, he would have some idea of when one would be reached.

The main problem is that hearsay evidence admitted under the new relaxation would not be subject to cross-examination. That again was very fairly rehearsed in paragraph 3.21 of the report. The Commission made it clear that there were problems, as I think it was bound to do:

"in our view under our system of adversary procedure it can often be an essential tool for extracting the truth."

There has been some discussion of the departure from the draft Bill prepared by the Scottish Law Commission, under which notice had to be given if hearsay evidence was to be led. There were certain rights for the other side in the case. The Government have decided against that, probably rightly, although certainly the Lord Advocate did not try to argue the case; he merely stated flatly that it had been decided that it would not be right to go down that road. I noted that the Minister repeated that in exactly the same terms a few minutes ago. I hope that I will not depress him when I say that I do not see any possibility of a cursory Committee stage. He will probably be reassured, as he seemed worried about it. I look forward to a fairly full Committee hearing, and perhaps we can look at the matter with some care then.

A theme of some significance runs through the measures. They look at civil litigation in terms of common sense and the courts looking at the facts, trying to get at the truth and perhaps not standing too nicely upon the intricacies of procedure and the rules of court. The point was well made by our colleague who is now in another place, Lord Ross of Marnock, who said on 19 March 1968:

"If I may interpolate my own view, it is that, where there is a dispute about facts in a civil matter and the matter is brought before a court of law for an adjudication on the facts, justice can best be served and seen to be served if the court, however difficult this may be in certain cases, is allowed to determine what is the most probable reading of what occurred in the light of all the evidence and circumstances. A requirement of law such as the requirement of corroboration must be artificial and tend to come between the court and the most probable reading. Accordingly I am firmly in favour of the Commission's recommendation".—[*Official Report, Scottish Grand Committee*, 19 March 1968; c.10-11.]

That recommendation was ultimately section 9 of the 1968 Act.

One can take that argument too far, because if one applied it in the criminal area there would be considerable difficulties, but as a statement of general approach in the civil area it seems to underline what we are looking at now, and I should be prepared to support it.

We are relaxing the laws of evidence, but it seems that many of the court procedures are still narrow, formal and based on textual criticisms of pleadings, which the ordinary client often fails to understand. I remember being a young solicitor, even in the sheriff court, translating and transferring things from adjustment to procedural rolls, and not knowing what I was doing or why, but clutching a bit of paper for the occasion. I was conscious that it was causing a great deal of delay and no doubt frustration to my clients. We should consider that in the longer term to see whether there is a way of simplifying those procedures as well.

I was interested to note that paragraph 2.9 in the section on corroboration in the Scottish Law Commission's report stated:

> "A further criticism of the present law which has been made to us by some commentators and which we think of considerable practical importance is that the requirement can lead to unnecessary expense, delays and inconvenience."

I am not sure that the Law Society agrees with that, but I think that there is some force in it. If we are to take that seriously, we should look at some of our court procedures as well and we might get nearer to what was in the mind of Lord Ross of Marnock in 1968 when he suggested that a more common-sense approach was right.

According to the explanatory and financial memorandum, clause 1 will have no impact on public funds. I believe that there will probably be a small impact. If the reform means anything, presumably some cases will go to court which otherwise would not have done so, and some will proceed which otherwise might have been laid to rest. I should be interested if the Minister referred to the workings of the civil legal aid system now that the Scottish Legal Aid Board is in operation. I have looked at the latest accounts of the Scottish legal aid fund for the year to 31 March 1987, when it was under the control of the Law Society. The accounts are signed by Jock Smith and Ken Pritchard on behalf of the Law Society. The cost of solicitors' and counsels' fees and outlays in civil legal aid in 1986-87 was £14·5 million. I do not know whether there is any idea what the figure will be for 1987-88 or for the coming year—it is too early for that. I should be interested to know what trends are beginning to emerge now that the new scheme is in being.

I know that the Minister has been thinking about this and that there may be an opportunity to debate it later in the House, but I ask him to give an idea of the Government's thinking on the contentious issue of when legal aid comes into effect. As some people in the House will know, the old system was that one lodged the application and if the solicitor was reasonably confident that legal aid would be granted, he would continue to process the work. In due course the legal aid grant came through and the solicitor could charge properly for the work back to the date of lodgment. If the solicitor miscalculated, he would end up with unpaid work, but that was a gamble that most solicitors were prepared to take and it was in everyone's interest.

This is a point of real substance. Now, one applies for legal aid to the Scottish Legal Aid Board and is paid for the work that is done from the time when the intimation of grant is received. That may take three, six or perhaps more months and even when legal aid is granted, it is often six weeks before intimation is made. As a result, no solicitor of any prudence will do a hand's turn in the interests of his client until he has the intimation in his hand.

Effectively, the civil action will lie dormant perhaps for three to nine months, depending on the circumstances, with nothing happening at all, much to the frustration of those involved, because of the way in which the new system operates. I do not understand the rationale of that, because ultimately the work will have to be done and will be paid for by the legal aid fund. Under the old system it was done promptly, which was an advantage and in the public interest.

I hope that the Minister will reconsider, and reinstate the old system now. There is no doubt that delay brings the law into disrepute and it seems that he is now determined to build delay into the system. The matter arises, at least tangentially, under the Bill. Perhaps we shall be able to discuss it in Committee, but I invite the Minister to tell us his thinking, which must be in an advanced state by now.

I should like to conclude my speech because I do not want to rival the Minister in any way—thinking about it, I say that absolutely, but I say it particularly in regard to length of speech. I believe that we can have a useful, although not necessarily protracted Committee stage. There will be many points that are worth examining in Committee, one or two of which I have mentioned.

I am particularly interested in the reference to proofs before the sheriff under section 42 of the Social Work (Scotland) Act 1968. My hon. Friend the Member for Aberdeen, South (Mr. Doran) has had a great deal of experience in that. The distinction that is made between grounds of referral under section 32 of the Act—the majority of them—and section 32(2)(g), which depends upon an offence, is logical. However, it raises some interesting queries. I can envisage difficulties when there is a case under one of the grounds of referral which involves, for example, child abuse or sexual abuse, and where the relaxation of the laws of corroboration and hearsay will apply. Therefore, a finding might be made on the balance of probability rather than on proof beyond reasonable doubt, and the consequences could be fairly serious.

The very fact that we are relaxing hearsay opens up the argument, which I shall not rehearse now but which we might want to look at in Committee, on how one deals with the evidence of very young children and proofs within the children's hearing system. As the Minister knows, there has been a lengthy debate about video links, recorded statements and the circumstances in which they can be used. There has been interesting experimentation in the Glasgow sheriff courts and probably in other parts of Scotland. The provision, about section 42 of the 1968 Act, allows us to obtain a report of the Government's thinking, and I hope that we shall be able to do so in Committee.

It is good that it is now easier to prove that a record does not exist, or it will be once the measure is on the statute book. No one mourns the passing of corroboration by false denial. I promised the Minister that we shall not look too closely at the Bankers' Books Evidence Act 1879, which is mentioned fairly freely in the Bill. I am even prepared to accept that section 1 of the Evidence (Foreign,

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Dominion and Colonial Documents) Act 1933 is not affected, and to live with that disappointment. There are much more important matters than that.

I certainly welcome the Bill as it stands. It is the result of work by the Scottish Law Commission. The Minister paid his tribute and I am glad to echo it. I hope that I do not get into trouble for murmuring a judge, but the speech of Norman Wylie back in 1968 had a very funny passage, in which he invited us to look with great scepticism at the report of the Scottish Law Commission on the basis that there was no member of the Faculty of Advocates among its members. I am glad to say that that has been put right —not that that seems to be a particularly sound approach to legal judgment, but it was a long time ago.

I congratulate the Law Commission, particularly its chairman, Lord Maxwell, who will be retiring shortly. I do not know who his successor will be, but whoever it is I hope that he will carry on the good work in the years ahead. I see several other hon. Members wishing to rise so I conclude with a total irrelevancy—which I shall try to get in quickly before you interrupt me, Mr. Deputy Speaker —which is that, on a cut of the cards in Cumbernauld tonight, Labour took power.

8.11 pm

Mr. Alick Buchanan-Smith (Kincardine and Deeside): I shall leave the last remark of the hon. Member for Glasgow, Garscadden (Mr. Dewar), which will be welcomed on the Opposition Benches, although it may not be to one hon. Member there. I congratulate the hon. Gentleman on the modesty of his speech, at least in relation to its length, but modesty is purely a relative quality for this debate. I am delighted to see support on these Benches from hon. Friends with legal knowledge from south of the Border. No doubt they will contribute to our debate and enliven the Committee proceedings, ensuring that we have some good speeches.

As a complete layman on legal matters, I am going where I fear to tread, but at least I am prepared to try a little. I hope that that will be commended in the appropriate quarters and that there are rewards for trying as well as for other things. Obviously, I bow to my hon. Friend the Under-Secretary of State who has experience of Law Commission reports and who has even been so brave as to take them to the length of private Member's Bills.

I have respect for the work of the Scottish Law Commission. What it advocates in its reports and what we seek to embody in legislation is well considered. But, like the hon. Member for Garscadden, I believe that it is important that we laymen should not take what it says for granted. Its views should be tested. The legislation removes the need for corroboration in ci il cases, so by implication it facilitates the procedures of the pursuer.

But we must also ask: what of the defendant? I hope that the House is a defender of those who may be affected badly by the legislation and I trust that a proper balance is struck and the defendant is not put in a weaker position as a result. I support a move towards simplification, but we have a right and duty to ensure that that is not at the expense of justice. That is fundamental, and I hope that my hon. Friend will address that point.

As the hon. Member for Garscadden said, trenchant comments were made when these matters were considered earlier in relation to personal industrial injury cases. If my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) were present, we might indeed have had some trenchant comments and it might have made for a livelier, better informed evening. As a poor substitute for him, I ask my hon. Friend the Under-Secretary of State to put any doubts at rest about the rights of defendants.

The Bill puts a particular onus on the judge or sheriff to maintain justice. He must ensure that any claims are properly substantiated. It is important to ensure that proceedings are not based on scraps of uncorroborated evidence or hearsay.

Does my hon. Friend the Under-Secretary of State anticipate that the legislation will give rise to many claims? The courts are already overburdened and I am sure that when he was in Falkirk today, despite the new facilities there, those responsible for the workings of the courts would have used the opportunity to tell him how overburdened the courts are. While our main objective must be to see that justice is done, equally we do not want the courts to be cluttered with spurious claims that have little chance of success.

It would help us to reach a decision—certainly it would guide me how to vote—if my hon. Friend the Under-Secretary of State could tell us whether the 1968 legislation has been successful in terms of damages for personal injuries. Has it increased the claims, has it given a proper opportunity to genuine claims or has it been merely a stimulant of spurious claims? What are the views of the Law Society and the Faculty of Advocates? Apparently the position of the Faculty of Advocates is rectified in relation to the Law Commission, but it would be helpful for laymen like me to know what the learned view is of those whose job it is to administer the law.

The hon. Member for Garscadden raised the subject of legal aid. If the legislation is to simplify legal procedures, I would expect it to give better access to the law for those whose rights need to be upheld. I am slightly surprised that there are no implications for costs and public expenditure as a result of the Bill. Surely we are trying to facilitate procedures through the courts, so that is likely to lead to more cases and applications having to be assessed. How many new cases does my hon. Friend the Under-Secretary of State expect to arise as a result of the legislation, and will that increase the need for legal aid?

To follow the example set so far in this debate, I shall refer to some specific points on which I seek clarification. Clauses 5 and 6 deal with documents. Since these clauses apparently automatically allow true copies or proofs of statement, what procedures are there to ensure that the original can be challenged, thus ensuring that the copies are properly substantiated and followed through?

Clause 9 is the definitions clause. It states that "hearsay" includes hearsay of whatever degree. What are those degrees of hearsay? It would be helpful to a layman like me to have some explanation of that.

The hon. Member for Garscadden passed quickly over clause 10(3), but I should like to know why we have an Evidence (Colonial Statutes) Act 1907, an Evidence (Foreign, Dominion and Colonial Documents) Act 1933 and an Oaths and Evidence (Overseas Authorities and Countries) Act 1963. These are important matters about which the House should know. I hope that when my hon. Friend the Minister replies to the debate—even if his

speech is short in relation to the one that he made earlier —he will find time to deal with clause 10(3). That will also guide me in how I vote at the end of the debate.

There is great strength on the Government Front Bench tonight, with a former Deputy Chief Whip, my hon. Friend the Member for Monmouth (Sir J. Stradling Thomas), having been wheeled in to ensure that the legislation goes through properly. There is obviously great anxiety about the Bill.

Corroboration has been removed from personal injury law and civil evidence law. That leaves only the law of criminal evidence. My hon. Friend the Minister made it clear that the Government do not intend to introduce a similar measure for that area, but there has been a gradual progression from 1968 to 1988, and simple people like me may wonder whether in 2008 there will be a move to apply similar measures to criminal proceedings. It would do a service to the House, and it would give us some insight into my hon. Friend's mind, if he would say how he views an extension in 2008 of the principle that started in 1968.

8.22 pm

Mr. Menzies Campbell (Fife, North-East): I, too, declare an interest as a member of the Faculty of Advocates. I share the sense of regret expressed by the right hon. Member for Kincardine and Deeside (Mr. Buchanan-Smith) at the absence from this Scottish occasion of the hon. and learned Member for Perth and Kinross (Mr. Fairbairn). I have it by way of uncorroborated hearsay that had he been present he would not have allowed the Minister quite the favourable hearing that he enjoyed from the House.

The debate turns on corroboration and hearsay. It is interesting that the Bill and the Minister defend a set of circumstances in relation to tribunals which the Bill, if properly directed, should have tried to change. Although corroboration and hearsay will be swept away in a civil action—I shall return to the absence of definition of that in due course—if legislation which provides for arrangements in tribunals contradicts the proposal to abolish corroboration and hearsay, that existing legislation will continue to prevail.

In an intervention I mentioned to the Minister a case that has recently come to my attention in which someone trying to prosecute a complaint of poor dental treatment has discovered that the inquiry set up by the local health board requires corroboration to establish the validity of the complaint.

Mr. Home Robertson: The tooth, the whole tooth and nothing but the tooth?

Mr. Campbell: If it is possible in a civil action to sue for £10 million and to be successful on uncorroborated evidence, it is curious that a similar relaxation of the rules of evidence is not available in cases where someone tries to establish poor or improper treatment.

The starting point for the relaxation of corroboration was section 9 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1968. But following its enactment, the decisions of the Court of Session have been by no means consistent. I cite for the information of the House, but not for that of the Minister, who will be more than familiar with them, the cases of Maclaren *v.* Caldwells Paper Mill Company and Morrison *v.* Kelly. Although the Court of Session did not blunt the effect of the legislation in those cases, it interpreted the law in such a way that it did not fulfil the considerable expectations that many people in the House had for it.

For example, it appears to be accepted that the existence of the exception—currently the law under section 9—is no excuse if corroborative evidence is available and has not been led. What evidence do the Government have that section 9 has fulfilled the function for which it was passed into law? What evidence do they have that that section has alleviated many of the hardships that were in the minds of those who promoted that provision vigorously?

Although I cannot speak on behalf of the Faculty of Advocates and give the right hon. Member for Kincardine and Deeside the informed collective view that he sought, as someone who has practised in the Court of Session for the 20 years since section 9 became law, I can say that it has had little effect on the conduct of cases and, perhaps more significantly, has had little or no effect on the settlement of cases. That may be due more to the interpretation placed on section 9 by the court than to the terms of the legislation. My researches have revealed that no case that has come from Scotland to the Judicial Committee in another place would remove some of the apparent inconsistencies that those two decisions have thrown up.

If corroboration is no longer required, the evaluation and assessment of the evidence of a single witness will require special care and attention. That is no more than one would expect when a judge is sitting alone. But when a judge sits with a jury in civil cases, which is still common in the Court of Session and which is still a pursuer's right, unless special cause can be shown to the contrary, the requirement for careful and analytical direction of the jury will be paramount.

I was taken aback by the Minister's somewhat light-hearted suggestion that the civil jury trial in Scotland may not last much longer. In my professional experience, as someone who has appeared on behalf of pursuers and of defendants, in some cases juries are especially appropriate in determining the issues that are in dispute. I am thinking particularly of what, south of the Tweed, is called the running-down case, but which in Scotland is more frequently referred to as the case arising out of a road traffic accident.

I hope that the Government will not embark lightly on proposals to remove civil jury trials from the procedure available to the Court of Session. The mere fact that the opportunity to have a civil jury trial is infrequently invoked does not mean that it should necessarily be removed from a litigant's advisers if, in their judgment, that is the best way for the case to proceed.

A number of difficult matters arise with regard to corroboration. I should be grateful if the Minister could deal with one matter. I have observed that much is being heaped on his head for the closing speech. No doubt, if there are matters with which he cannot deal, he will, with his usual courtesy, write to those whom he has been unable to satisfy. What concerns me is that, if in an action of reduction of a document, such as a will or a disposition of heritable property, the evidence of a single witness will be sufficient, if believed, to bring that action to a successful conclusion, how does the Minister square that with the fact that the execution of a document—the coming into effect of the document—by law in Scotland requires that the signature of the person executing it be witnessed by two witnesses? One would have the paradoxical

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circumstance in which it would take two people to vouch that I have signed a disposition of heritable property, but only I myself, if believed—I hope that that would be the case—would be sufficient to cause that document to be regarded as no longer being of any legal effect.

Mr. Norman Buchan (Paisley, South): I follow the hon. and learned Gentleman's argument, but we are dealing with two different circumstances. When a will is being made, the parties and witnesses can be present. When proving it on a later occasion, perhaps only one person may be present, or perhaps none, except for hearsay evidence of some sort. It may not be possible to have the same requirement at the later stage of the execution of a will.

Mr. Campbell: I hesitate to embark on a detailed discussion with the hon. Gentleman about the requirements of the execution of wills and dispositions, but it is worthy of note that the requirement for two witnesses is to establish the bona fide of the signature of the person executing the document. That is corroboration because two witnesses, not one, are required. It is noticeable that, when documents are issued by English finance houses or their equivalent, only one witness is sought. In Scotland, the rule remains that two witnesses are required. That is a question to which the Minister might address his mind, and in so doing he may be able to satisfy not only me but the hon. Member for Paisley, South (Mr. Buchan).

I wish to take more serious issue with the Minister about the absence of a definition of civil proceedings in the Bill. He said that interdict was a civil or, perhaps more correctly, a quasi-criminal process. It is more correctly defined as being a civil process that may have quasi-criminal consequences. An action for interdict, which is the Scottish equivalent of an injunction, is commenced in a civil court. The point at which the consequences become quasi-criminal is if a person is guilty of a breach of an order of the court, which is treated as contempt of court and can be visited with punishments such as a fine or, if thought appropriate, imprisonment.

The difficulty that the Bill necessarily creates for practitioners is that, if there is no definition of "any civil proceedings", and if the Minister accepts that interdict may be civil or criminal on his own analysis, a practitioner who is asked to raise an initial writ in the sheriff court, or a summons in the Court of Session, will not be aware of what volume of evidence he is required to have before embarking on proceedings. If corroboration is required, it would be improper for a solicitor to raise an initial writ in the sheriff court or for an advocate to draft a summons for the Court of Session without corroborated evidence—evidence from two sources.

I suspect that the absence of a definition may give rise to considerable difficulty in circumstances in which urgency is often a paramount consideration. I hope, therefore, that the Government will give further consideration to whether it would not be appropriate, for the purposes of the Bill, to give a definition of what they regard as "any civil proceedings."

Like the hon. Member for Glasgow, Garscadden (Mr. Dewar), I welcome unequivocally the ending of the rule that evidence might be corroborated by false denial. That rule applied only in actions of affiliation and aliment, in which, to echo the archaic language used in these matters sometimes, there was a peniuria testium—a shortage of evidence arising out of the circumstances in which affiliation and the concomitant aliment might become necessary. It was a curious anomaly that something could be established because someone was found to be telling lies about it. The relaxation of the rule of corroboration, which the Bill necessarily embraces, removes something from our law that sat very uneasily in it.

I am much less sanguine about the value of allowing hearsay evidence to be admissible than about the relaxation of the rule of corroboration. I can do no better than quote from the late Lord Normand in the case Teper *v.* King, where he said:

> "The rule against the admission of hearsay evidence is fundamental. It is not the best evidence and it is not delivered on oath. The truthfulness and accuracy of the person whose words are spoken to by another witness cannot be tested by cross-examination, and the light which his demeanour would throw on his testimony would be lost."

One is entitled to ask what experience the Government have and what representations have been made to them that the proposition to which I have referred from the observations of Lord Normand is one that should necessarily be departed from and is justified by the terms of the Bill.

As to clause 3, I welcome the fact that statements made previously may be available to support or attack credibility. Up until now, by virtue of the terms of section 3 of the Evidence (Scotland) Act 1852, such statements were available only as a means of attacking credibility, not supporting it. I wonder whether the Minister will say something about the fact that a precognition is excluded, by clause 9, as being a means by which credibility might be supported or attacked. Is the Minister satisfied that the exclusion of a precognition is justified for that purpose?

I am surprised by clause 8(3), which talks about evidence consisting of the evidence of a person other than the person seeking the remedy. If I read that correctly, it means that a person might be in a position to obtain one of the remedies referred to in clause 8(2) without giving evidence himself. That seems a rather curious feature of the language of that part of the Bill. I should have thought that there was a strong argument, having regard to the remedies and types of action referred to in clause 8(2), that there should be evidence from a source other than the person seeking the remedy. I find it difficult to understand how the alternative evidence might be treated as the only evidence available in the case.

The Minister has said that there is no intention, especially with regard to hearsay and corroboration, that these principles should be extended from the civil law to the criminal law. Even from this short debate he must by now appreciate that the Government will find no welcome for any attempt to do that. I am by no means entirely cynical, but one can imagine reverberations at some future Conservative party conference when the law and order lobby is in full cry and the Lord Advocate has his not inconsiderable back to the wall. It is not difficult to imagine it being suggested that one reason why too many people escape justice is the somewhat archaic rules about corroboration and hearsay, with the argument that, as it has already been abolished in civil cases, it should be abolished in criminal cases, too. The Minister should mark the considerable opposition to any such suggestion, which he will find to be as vehement among Conservative Back Benchers as it is in the Opposition.

In this context, I can do no better than remind the Minister of the Thomson committee's third report on criminal procedure. Paragraph 1.09 puts the matter succinctly but in a form that every lawyer practising in the criminal court should know as well as any other piece of information available. It states:

"The greatest safeguard against a miscarriage of justice is —and should continue to be—the rule of law that the Crown must prove its case beyond reasonable doubt on corroborated evidence."

I for one will allow no departure from that fundamental part of our criminal law. My justification for that statement is drawn from the fact that I once led the Minister in a murder trial and since then have appeared in the High Court of Justiciary both as Crown counsel and as defence counsel. That experience leaves me in no doubt, whatever may be the case in civil matters, of the fundamental importance in criminal matters of corroboration and the exclusion of hearsay. Any diminution of that is a price that cannot be paid. It is a part of our procedure which cannot be given up.

In that spirit, subject to the comments and observations that I have made, I welcome the Bill and trust that it will have the same speedy and effective progress through this House as it apparently enjoyed in another place.

8.42 pm

Sir Hector Monro (Dumfries): The skill and success of the hon. and learned Member for Fife, North-East (Mr. Campbell) as an international athlete is surpassed only by his knowledge of the law. I am therefore reluctant to follow him, as I certainly could not on the track, down the route that he has taken today.

The hon. and learned Gentleman raised a number of interesting points and I hope that my hon. Friend the Minister will refer to them when he winds up the debate. It would save a great deal of trouble if he would elucidate the point whether there should be one or two witnesses for such legal documents as transfers of stocks and shares in the future. As a trustee of various trusts, I find it a frightful nuisance when solicitors send transfer documents to be signed and one has to find two witnesses, neither of whom may be one's wife. That is often quite difficult at short notice. If that is to go by the board, let the Minister say so today and, if not, why not. I take the point that if two witnesses are required in drawing up a will and all that that means in terms of the law, it should not be too easily altered or cancelled with just one witness to the signature. My hon. Friend the Minister may not have considered that detail in drafting the Bill, but the repercussions are important and it would be interesting to hear his views.

The hon. and learned Member for Fife, North-East dealt similarly with clause 9, which contains four subsections defining civil proceedings. I hazard a guess that those provisions will occupy the Standing Committee for a good deal longer than many other provisions in the Bill. The clause deals with important items such as arbitration. We know of the importance of agricultural arbitration. It also deals with tribunals. Most of us have experience of constituents appearing before tribunals and there is often some conflict of evidence. If, as my hon. Friend the Minister seemed to indicate, each tribunal is to draw up its own system of evidence, it will certainly take the Committee some time to reach a decision on that.

I hope that my hon. Friend the Minister will also deal with the subject of legal aid. In the past year, many of us will have had experiences with legal aid which have been unfortunate, to say the least. Not only are there delays in decisions, but there is the important question of the stage at which the solicitor taking on a case can be assured that legal aid will be awarded for the work undertaken. At present, a substantial period may elapse while a solicitor is working on the case when it is far from clear whether legal aid will ultimately be available. I know that there is a running inquiry. I know that inquiries are currently taking place and that my hon. Friend the Minister is deeply involved in these issues, but I hope that he will be able to say something on the subject today.

I am tempted to point out with regard to the cutting of cards in Cumbernauld that, although things have worked out well for the Opposition there—the hon. Member for Glasgow, Garscadden (Mr. Dewar) may have invoked the assistance of Paul Daniels—things may not work out so well later in the week when an equally important cut has to take place. I am also sad that my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) cannot be with us today as I am sure that he would have had some interesting and perhaps hilarious comments to make on the Bill, given his lukewarm approach to corroboration and hearsay evidence as altered by the Bill.

I note with interest that the Scottish Law Commission report is number 100. The commission has been a tremendous boon to Scotland. It has been looked after by many distinguished lawyers and we should express our gratitude to them, not just for the present report but for the 99 that presumably went before it, assuming that they are indeed numbered in sequence. We should thus give praise to Lord Maxwell and his team for their recommendations. The present report may be shorter than most but, as my hon. Friend the Minister has said, it was produced after the most detailed consultation.

The hon. Member for Garscadden was ragging me for having supported the then Opposition view of the legislation before the House in 1968. As a dutiful Whip, it was my duty to ensure that everyone supported the then Opposition. Twenty years later, after much consultation and further experience, if my hon. Friend the Minister now takes a different view I am sure that it is the result of experience in the courts and I am thus quite happy that there should be a change of attitude.

The Government have brought the Law Commission's reports into use year by year. I am glad that the Bill, which was based on the report dated February 1986, had its Second Reading in another place as soon as November 1987. That shows commendable speed on the part of the Scottish Office in getting on with legislation and implementing the recommendations in the Law Commission's reports.

Like the hon. and learned Member for Fife, North-East, as soon as I read that the Bill dealt with the corroboration of evidence, I sat up and thought, "Heavens! This is a major change in Scots law. Will civil or criminal evidence be affected? Have the Government taken leave of their senses if it is criminal evidence?" I am glad that it subsequently emerged that the Bill dealt only with civil cases. I would have the gravest reservations if the Bill affected criminal cases too. I hope that my hon. Friend the Under-Secretary of State will confirm that there is nothing in the pipeline that might change that aspect of Scots law, which has been extremely important for centuries. Scots law has frequently been copied in England

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and Wales to the benefit of those countries. However, I would certainly not want any part of our system of evidence in criminal cases changed in Scotland.

I also raised an eyebrow when I heard that we were to change the rules of hearsay evidence. My experience of the law is very limited, and I think back with horror to the time when, as a young officer, I was sent to deal with a summary of evidence for a court martial, never quite understanding what hearsay evidence was. I am only glad to think that no one was successfully convicted as a result of any of my recommendations. The matter was incomprehensible to me then, as it is now. I hope that we shall not make major changes in the rules of hearsay evidence, other than what is proposed in the Bill.

I listened carefully to my hon. Friend the Under-Secretary—*[Interruption.]* It was worth listening to. I am sure that he will clear up some points of information when he winds up. Perhaps he will tell us whether the present rules, while desirable, are not likely to be sensible in every case. I suppose that a layman might say that, under the Bill, rules for the corroboration of evidence will be more flexible than the present rigid rules. Sometimes that inflexibility prevents cases from coming to court, but I hope that the Bill will not have the reverse effect. I hope that we shall not have many more cases coming to court in which there is a competition between witnesses to tell the most outrageous story because they do not need to have corroboration. My one fear is that there may be too much of a swing from difficulty in obtaining correct evidence to ease of providing evidence in civil cases. I hope that my hon. Friend the Under-Secretary will allay our fears on that.

Judging by the Law Commission's report, the key issue seems to be the credibility of witnesses and how they stand up to cross-examination rather than having two or three witnesses trying to tell the same story. The Minister gave a number of helpful examples to illustrate the point about the credibility of witnesses. Presumably, most of the proceedings will be heading towards major damages cases.

I return to the more serious question of the criminal law and reiterate that I strongly agree that we must not change that in Scotland. One paragraph of the Second Reading debate, which took place on 12 November 1987 caught my eye. The Lord Advocate said:

"The commission concluded that the existing law offended against its main principles by being unduly complex and excluding potentially valuable evidence. The current rule is that hearsay evidence is generally inadmissible but is subject to certain exceptions. I agree entirely with the commission's broad conclusion."—[*Official Report, House of Lords,* 12 November 1987; Vol. 489, c. 1541.]

The commission was right to bring forward the report on corroboration and hearsay and my hon. Friend the Under-Secretary and my right hon. and learned Friend the Secretary of State were right to introduce the Bill with the support of the Lord Advocate.

One also reads in the Second Reading debate in the other place that in 1985 there were only four jury trials of civil cases. That may not be of major importance. I hope that we shall address the issue of tribunals, of which we have all had experience. It is important that we get the provisions right—including clause 9, with respect to the definition.

We return to the most important point, which is that the reliability of evidence is all-important. That sways me to support the Bill, and I commend it to the House.

8.56 pm

Mr. Norman Buchan (Paisley, South): I am pleased to have the chance of listening to the rustle of dead leaves, because I bear some responsibility for the Bill. I do not recall that it was simple to get my proposal past my Secretary of State at the time. I was a very junior and fresh Minister and those who knew Willie Ross will know some of the difficulties that we had. However, I am sure that I was right and I am sure that the Law Commission was right. I cannot remember which came first—its evidence or my cases.

It is important to know what gave rise to the report. For me, it was two cases. In those days, my constituency covered Port Glasgow. A man who was removing the scaffolding from a ship in the shipyard was found dead, with the scaffolding broken. There was no corroboration of the incident. I fought as hard as I could and went to various lawyers and various places, but I could not win the case because it required corroboration so that everyone knew what had happened. The second case, which was cited by the Scottish Law Commission, involved a woman cleaner on a train. Shunting occurred and she was killed. Everyone knew the cause.

We recognised that the point went wider. Indeed, I was reproved for saying so. It is important that we should welcome the developments, as we have covered much ground. In the debate on the Law Reform (Miscellaneous Provisions) (Scotland) Bill 1968, I said:

"I wonder whether we should not go even further than we have considered and whether there is a case for exploring the whole case for corroboration in order to ensure that no purely technical requirements prevent justice from being done. This is probably a point at issue. It is not a point we shall explore here because we have taken our respective lines in terms of this Bill".

I was interrupted later by my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar)—then the hon. Member for Aberdeen, South—who said:

"Is the hon. Gentleman not being a trifle unfair here? There is the factor of the review being carried out by the Law Commission, and we do not want to prejudice that."—[*Official Report, Scottish Standing Committee,* 9 April 1968; c. 112.]

I said, no, indeed. I stress that point because it is well to remember that the opposition came from not only our side—the Government—in a minor way, but from the Conservatives and, I regret, the Liberals, in the shape of the right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel).

The legislation was also opposed by the hon. Member for Moray (Mrs. Ewing) speaking for the Scottish National party, not because it was in line with English law—she said that she could accept that—but because the Bar Association of Glasgow, of which I think she was the secretary at one time, regarded it as unnecessary. I am sorry that the Scottish courts have not applied this practice. We were never under the illusion that it was done to subvert the role of the jury. On the contrary, it provided that no more than the evidence that could be prevented by a technicality should be able to be brought forward and its reliability tested.

A number of other strange things happened. My hon. Friend the Member for Garscadden said that English Tories were present. I regret that the 1968 legislation was

miscellaneous. I congratulate the Government—it is infinitely better to get a law passed in totality than as part of a miscellaneous Bill. The English Tory was Sir Hugh Lucas-Tooth, who dealt with the illegitimacy aspect. He said:

"I would remind hon. Members that that Committee"—the committee on the law of succession in relation to illegitimate persons—

"always referred to illegitimate persons by the good old-fashioned English word 'bastards'. I do not know if there is any special Scottish equivalent. I propose to use that word."

I said:

"In Scotland we used to call it a love child. I think that rather better."

Sir Hugh Lucas-Tooth gave the astonishing reply:

"There are certain implications in the Scottish form which I would not always accept."—[*Official Report, Scottish Grand Committee*, 19 March 1968; c. 35.]

That must have been the first time in history that a Tory found that an illegitimate child could not have been born out of love. We have seen it borne out by the Government's actions over the last nine years. We must rejoice that there has been movement in the legislation under this Government.

There was a fear that the practice of accepting uncorroborated evidence could become a habit. Surely, if anything, it has gone the other way. The procedure has not been used sufficiently and judges have directed against it where it has been used. The emphasis given by the bench has been to remind the jury that it is uncorroborated evidence. I am afraid that, to a jury, that is not always taken as being uncorroborated in a technical sense; it has suggested a whiff of non-existent support. I do not agree with the hon. Member for Dumfries (Sir H. Monro) that this system could start to replace the normal judicial process.

It is with great pleasure, as well as the rustle of dead leaves, that I welcome the Bill. There is another point which is worth making because so many lawyers are present. I said:

"it has been said that it is a folk tradition that reasonable men would demand corroboration. I may not be an authority on the law, but I think that I can claim to be an authority on folk tradition, one essential of which is that natural justice has supremacy over the rules of law. The law is there to serve justice and not to be the master of justice."—[*Official Report, Scottish Grand Committee*, 30 January 1968, c. 55.]

If technicalities prevent injustices, they must be removed. If they must be removed, they must rest on the kernel of good justice—the decision of the bench and the jury. The Bill does no more than say that, and I welcome it.

9.4 pm

Mr. Bill Walker (Tayside, North): I do not claim to have any special knowledge of legal matters. I am sorry that my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) is not here. He and I have discussed the Bill. He has expressed grave concern about some aspects of it. I shall not attempt to emulate what he would say. First, I do not have his flowery flow of language, and, secondly, I do not have his experience of Scottish courts. If, in future, corroboration is not required, before we make what must be a major change in Scots law, we must be satisfied that the measure will be an improvement on existing practice.

I recognise that my hon. Friend the Under-Secretary of State for Scotland has examined the matter in detail and at length. He will understand that, like my right hon. and hon. Friends who have already spoken, I want an assurance that this measure will not be the thin end of the wedge and that, at some future date, we shall not see changes in the criminal law in Scotland. As we know, corroboration is an important part of criminal proceedings. The measure is designed to make sure that innocent people cannot be convicted without corroboration.

I remind my hon. Friend that it was judged to be useful and helpful in Scottish criminal cases to introduce a system whereby, when an individual is charged with an offence, the procurator fiscal may send him a warning letter.

My hon. Friend will be aware of my concern about a case that arose in Perth. The person was not charged in Perth—in fact, he was charged in Dundee—but the matter affected some individuals in Perth. In particular, my hon. Friend will be aware that I was concerned that certain Conservative councillors were interviewed by the Tayside police on the basis of some confidential information—that is, the name of the individual who had received the warning letter from the procurator fiscal which, by arrangement, had been sent to his lawyer. That individual complained, and the Tayside police interviewed Conservative councillors and other prominent people in Perth. It is an on-going matter.

It is not my intention this evening to go into the details, but, at some future date, I may be forced to do so if events proceed much further. My colleagues in Perth—city, regional and district councillors—again find themselves being subjected to questioning by Tayside police. For the benefit of the House, I add that all such individuals are innocent, in that they were just interviewed by the police to try to find out where the leak had occurred. As hon. Members know a great deal about leaks, they will understand that there was concern about the leak of that confidential letter that had been dispatched to a prominent individual in Perth. That individual denies being the individual concerned. There is much at issue.

I raise the matter because I hope that, with a lack of corroboration in civil proceedings, we shall not again run into difficulties or produce more problems than we set out to solve. As I mentioned in regard to sending out letters from the procurator fiscal, it was intended to simplify the legal procedure and reduce the number of individuals being taken to court—at least, that is what I understand was the thinking behind it.

My hon. Friend will be aware also of my concern about how we appoint individuals to crime prevention panels and how the chief constable sets about his task. Perhaps a new code of conduct——

Mr. Doran: On a point of order, Madam Deputy Speaker. The hon. Gentleman has spent the past five minutes or so discussing what strikes me as criminal proceedings. This is a civil evidence Bill. The hon. Gentleman's contribution has nothing whatever to do with this measure.

Madam Deputy Speaker (Miss Betty Boothroyd): A Second Reading debate is quite wide. The hon. Gentleman is reasonably within order. He is an experienced parliamentarian, and he knows what he is doing.

Mr. Walker: I am astonished at that intervention, especially coming from a lawyer. He more than anyone should know that one must deal with corroboration carefully. I deliberately did not go into all the details of the matter because I did not wish to use my parliamentary

[Mr. Walker]

privilege to resolve a matter that may be resolved more amicably elsewhere. I am treading carefuly, but it is a case where the issue of corroboration is important. On Second Reading of an important piece of fundamental Scottish legislation I believe that we should examine carefully evidence that shows that corroboration or lack of it could present us with problems.

The House will appreciate that I require some reassurances. I am unhappy about the aspect of civil proceedings that would change the corroboration of evidence. I am a layman, however, and I am prepared to be convinced by more experienced lawyers—there is an abundance of them around us this evening. I would be happy to take their advice. I merely put on record my concern so that the Minister is aware of it.

9.10 pm

Mr. Frank Doran (Aberdeen, South): I give a cautious welcome to the Bill and I wish to concentrate on the issues that add a wee bit more than caution to my welcome.

First, I am concerned about civil juries. The hon. and learned Member for Fife, North-East (Mr. Campbell) was emphatic about that. When the Lord Advocate introduced the Bill on Second Reading in another place he made it clear that he was reviewing the role of the civil jury in Court of Session cases. I should be interested to know whether any progress has been made in that consideration.

My main interest is the Bill's impact on the children's hearing system, to which my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) alluded. I believe that we are making some significant progress. The Minister knows that, at present, the procedure used for most aspects of the children's hearing system in the courts is civil procedure. There has been some abuse in certain sections of that procedure. The removal of the corroboration rule will give tremendous assistance in establishing child abuse and child sexual abuse cases.

I believe that such abuse has existed for a long time at the high levels that are presently being discovered. We now have a more effective way in which to uncover the problem, and more cases are coming to light. The removal of the corroboration rule will certainly assist the reporters to the children's panel and the Scottish courts in discovering more cases and determining them. That will help children in need. I welcome that, and that welcome is shared by the Reporters Association and the various child care associations that are involved in such cases.

I can think of a number of occasions when, as a solicitor in private practice, I have had to discuss with families the sheer frustration that they have felt at the fact that cases have not been dealt with before the courts because the reporter has been unable to prove his case.

Many cases of child abuse and sexual abuse are discovered outside the home, at school or nursery school. Presently, evidence from a teacher, a nursery nurse or a social worker would be inadmissible. The Bill will provide a considerable improvement and the work of the social work departments and children's hearing system will be much more effective because courts will be able to deal with such cases.

There are three questions which I wish to leave with the Minister. I have already mentioned juries, and I am anxious to hear from him about that. In relation to the children's hearing system, some doubt has been expressed in the Court of Session about the use of civil procedure in connection with child abuse and sexual abuse cases.

At the moment, the Court of Session is reluctant to use a civil basis when it has to determine whether sexual abuse has occurred. Of course, by making that determination, it is saying that a crime has occurred, and the court would be more comfortable using a criminal standard of proof. Section 9 removes the court's option in that respect and in all cases, except the allegation of an offence having been committed by the child, the standard of proof should be a civil standard of proof. I am anxious to receive the Minister's confirmation of that point.

Another point that has already been made, but which I have no difficulty in reinforcing, involves legal aid. As the Minister knows, two tests must be satisfied before legal aid is granted: the means test and the test of probarilis causa, which is that there is a good case to be fought. If we dilute the standard of proof necessary in a court, that must have an effect on the consideration of legal aid applications. It may be that until a case is before the court and the sheriff or the judge sees the evidence and assesses it, it will be difficult to assess exactly what the probarilis causa is.

I am interested to know what instructions, if any, the Minister will give the Scottish Legal Aid Board to guide the board on how to consider those cases. If we have a lower standard of proof, which effectively we shall have if we remove the corroboration and hearsay rules, I hope that there will be a slackening of the restrictions on legal aid applications.

While on legal aid—I declare a vested interest as a solicitor—the points made by my hon. Friend the Member for Garscadden on the considerable inefficiencies and delays that the introduction of the Scottish Legal Aid Board brought to the legal system in Scotland need to be addressed. Like my hon. Friend, I am anxious to hear what the Minister has to say on those matters.

9.17 pm

Mr. Andrew Welsh (Angus, East): I will be brief on a civil law Bill which so far has received a broad welcome. I certainly support the two guiding principles singled out by the Scottish Law Commission, first that

"the law should be simplified to the greatest degree consistent with the proper functioning of the law of evidence"

and secondly that,

"as a general rule all evidence should be admissible unless there is good reason for it to be treated as inadmissible."

Those twin principles of simplification and wider access to evidence in civil law cases are welcomed.

I note also that the Law Commission wishes to proceed with a measure of caution in dealing with the problems built into the present position, while bringing about necessary changes. The solution that the Law Commission has adopted seems to learn from existing answers in the United States, Australia, England and Wales, and should bring sensible improvements into Scottish civil law. However, criminal law is a different matter. I support the opposition expressed by other hon. Members to any extension of those measures into the criminal law. Such a move would be opposed tooth and nail and I hope that the Minister will state that he has no wish to extend these changes into criminal law.

It is interesting to note that the flexibility, informality and ability to introduce change of tribunals is now in some way influencing the more formalised court structure. That

might be the start of a useful trend of modernising and reforming courts in a way which would make them much more accessible to the people.

I hope that the Government will take on board the points raised by various hon. Members about legal aid. Difficulties in gaining access to legal aid and delays in processing applications are causing problems. I hope that the Minister will address himself to these problems.

I pay tribute to the work of the Scottish Law Commission and its consultative document. Perhaps the degree of cross-party unanimity is a reflection of its detailed work. I hope that the proposed changes will avoid the present pitfalls of unnecessary expense, delays and inconvenience, while introducing a relaxation of the present rules in the interests of justice. While sharing some of the reservations that have already been expressed, I should like to endorse the favourable comments that have been made so far, which allow the Bill all-party support.

9.19 pm

Mr. James Arbuthnot (Wanstead and Woodford): It is a pleasure for me to be able to renew my interest in Scottish affairs. I only hope that it will not be necessary in this debate for me to examine my Scottish family tree and to compare it with those of Opposition Members, as happened in the Committee debate on the Housing (Scotland) Bill.

I should like to compare Scottish law with the law in England and Wales, because, as so often happens, Scotland is leading the way. When are the changes that are introduced by this Bill likely to be considered for England? That is a heartfelt plea from a mere English barrister, albeit with Scottish blood, who came into contact with the law of hearsay evidence in quite a large way at the beginning of this decade.

I was involved for several years in a case in the chancery division of the High Court in England, called Baden Delvaux *v.* Société Generale. It lasted 108 days in the court of first instance and a mere three weeks in the Court of Appeal, and it founded my pension fund. The main question in the case was whether a bank which had trust funds in its accounts should be held responsible for a fraudulent misappropriation of those funds by a signatory to the account. It depended on the extent of the bank's knowledge of the fraud and on whether there had actually been a fraud in the first place. It was my job in that case to prove that there had been a fraud.

The fraud had arisen in the Investors Overseas Services empire because of the involvement of a gang of fraudsters led by Mr. Robert Vesco. Mr. Vesco was, and probably still is, a brilliant man who, sadly, turned his brilliance to crime and as a result is now living in terror of being found in the jurisdiction of the United States of America. I understand that his current occupation is drug-running in the Caribbean. In the 1970s, he was involved in defrauding the investors in the IOS empire of their money. He did it by moving money around between companies, setting up a company here, changing a share structure there, and moving bearer shares between Switzerland and Costa Rica, Panama and the Bahamas, and between countries that I had hardly heard of, such as the Netherlands Antilles and Curacao, which I had thought was a drink.

The essence of the fraud was that the more complicated it was, the more likely it was to succeed. And complicated it was, and succeed it did, at least in part. Mr. Vesco ended up extremely rich—with his own private plane, with a jacuzzi on board—with the then Government of the Bahamas close to, if not actually in, his pocket, and with extra perks that not many of us would even dream about.

It was my job to prove the movements of the money, in circumstances where the movements had been deliberately concealed. The job involved searching for depositions and statements—all hearsay statements—made in different jurisdictions all over the world. When I say that the IOS fraud has spawned well over 200 cases in different jurisdictions, it will be appreciated that the job was huge.

Under the Civil Evidence Act 1968, it was necessary to prove it all by serving notices. I drafted four such notices, which took several months. I was not working unduly slowly. It must be remembered that there were several hundred documents in each notice. The documents that we were relying on were documents of the highest repute, such as depositions taken on oath by the Securities and Exchange Commission in the United States of America and judgments of courts in the United States of America and Canada. However, for each, the requirements of the Civil Evidence Act 1968 had to be followed.

The notices were extremely complicated, as must be expected, because so were the documents to which they referred. The documents in court, which were a tiny fraction of the documents that had to be considered in the case, were well over 15,000 pages long and it took many weeks simply to read them to the court. In the event, although we had been through this hugely laborious process, the existence of the fraud and the truth of the documents were not even seriously challenged. The process cost one of the litigants hundreds of thousands of pounds. I have to doubt whether it was worth while. It would have been far better if in the English courts there had been a simple rule such as that which will be introduced by the Bill.

I welcome the Bill not only for what it does but for what it does not do. It represents a real step forward in the development of the law of evidence, because the unnecessary retention of complex rules can lead to the law being seen as existing only for its own purposes rather than serving the best interests of those who have a genuine grievance to bring before the courts.

As a lawyer, I believe that it is my job to discourage people from going to law, and it is our job as Members of Parliament to make sure that, if people have to go to law, that law is as simple as possible. The main beneficiary of the law should be not the lawyer but the litigant. My right hon. Friend the Member for Kincardine and Deeside (Mr. Buchanan-Smith) said that simplification should not be at the expense of justice. In a sense, he is right, but justice is a relative term. If, in order to achieve justice, litigants are forced to go through a hugely expensive and cumbersome process which causes delay and frightens them off, one should question whether they are in pursuit of genuine justice, because absolute perfection in a legal system can, paradoxically, be most unjust.

I agree entirely with the Scottish Law Commission's adherence to the guiding principle of a law of evidence which is as simple as possible but which renders a maximum amount of evidence admissible. The Bill moves the existing law towards that aim, which is most desirable, but at the same time it recognises the good sense of legal advisers and judges preventing the courts from becoming a free-for-all, with cases proceeding on uncorroborated and hearsay evidence.

[Mr. James Arbuthnot]

My hon. Friend the Member for Lancashire, West (Mr. Hind) said that, if there were no opportunity to test evidence because there had been no notice, for example under the Civil Evidence Act, then surely that evidence would be of little probative value. Yes, he is right, but that is something which the judge ought to be able to take into account. Like the absence of corroboration, it should simply be a factor, not something that leads to total exclusion of the evidence.

The hon. and learned Member for Fife, North-East (Mr. Campbell) rightly said that hearsay evidence is not the best evidence, but are we to say that not only is it not the best, but neither is it ever good enough? That should be up to the judge. As my noble and learned friend the Lord Advocate said:

"Although parties will be able to rely upon uncorroborated evidence and also hearsay evidence, it seems to me that prudent legal advisers will continue to seek to establish their cases beyond peradventure. On that basis I would expect that they will continue to lead corroborative evidence, where it is available, and to bring the makers of statements before the courts whenever possible in order that the weightiest evidence can be adduced for proof of their case."—[*Official Report, House of Lords*, 12 November 1987; Vol. 489, c. 1544.]

I said that I welcome the Bill for what it does not do as well as for what it does, and what I have just said is a good reason for not extending the Bill to criminal cases, because a jury might have a lot more difficulty over the distinction of the weight to be attributed to evidence rather than to its admissibility—much more difficulty than a judge would have.

I welcome the Bill as a move in the right direction. It is the right direction for evidence in civil cases but above all, it is the right direction for the law as a whole. Our laws should be simple and easy to understand, not only by a lawyer but by the litigant. In that respect the Bill is a model for other legislation.

9.30 pm

Mr. Barry Field (Isle of Wight): As my hon. Friend the Member for Dumfries (Sir H. Monro) said, the Scottish Law Commission's report was its 100th report. It received 17 representations and made 32 recommendations. I welcome the Bill. It is a worthwhile reform of an important area of the law that can touch the lives of everyone in Scotland.

Clause 8 deals with family representation and relationships. These matters are clearly of substantial importance to those involved. The clause covers divorce, legitimacy and declarator or nullity of marriage. The Bill's removal of the requirement for corroboration and the rule against hearsay will apply to these actions. I am sure that that is right.

The Scottish Law Commission said that at one time the standard of proof in certain divorce actions was proof beyond reasonable doubt. That has now been changed to the normal civil standard of proof on a balance of probability. Actions of this type are therefore on the same basis as other civil proceedings, and there is no reason to distinguish these cases from other civil cases in terms of corroboration and hearsay. However, the Bill quite properly retains the rule that a decree cannot be granted until the grounds of action have been established by evidence.

Hon. Members who have studied the Scottish Law Commission's report will know that this rule stems from the fact that questions about the status of the parties concerned are involved and that this has effect beyond the parties to the litigation. The rule means that, even if a case is undefended, the pursuer has to establish his case to the satisfaction of the court. Because of the importance of these cases and their wide effect, I am sure that hon. Members will agree that the Bill takes the correct line by restating in modern form the rule that is contained in an Act of 1830.

This also has the benefit of putting it beyond doubt that the rule also applies to actions in the sheriff court. This is important since hon. Members will know that the sheriff courts are able to hear divorce actions. This is a good example of justice being made available at least cost to those concerned. People can now have a divorce action heard in a local court rather than having to go to Edinburgh.

There is another important part of this Bill. Those who have taken the trouble to read the Scottish Law Commission's report will be surprised to see in paragraph 3.67 that business books are presumed at common law to be accurate if they have been regularly checked. They will frequently contain a large element of hearsay.

The Bill is a welcome development of the law of evidence. It is clearly important that the law of evidence should keep pace with the needs of the day. This is especially apparent in the way that the Bill deals with computer evidence. We are all aware of the extremely fast pace of computer technology. Therefore, it seems odd that parties who wish to rely on that sort of evidence must at present go through a complex set of rules formulated in 1968. Perhaps that was not quite in the infancy of computer technology, but it was certainly in its early days.

Hon. Members who have looked at the lengthy sections 13 to 15 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1968 will see the Bill as a necessary improvement. This is a welcome measure that removes rigid evidential rules that are considered to be against the interests of justice. If a more satisfactory method of resolving disputes results, that must be of benefit to those who under the present arrangements can see no way of bringing a genuine grievance before the courts.

I can do no better than refer the House to column 1544 of their noble Lordships' deliberations, in which the Lord Advocate concluded:

"I do not see this Bill as being a charter for lazy lawyers, if any such being exists. What this Bill will do is ensure that the courts will have before them as much relevant evidence as possible. As a result neither party to an action will suffer injustice simply because potentially valuable evidence is excluded thus rendering an otherwise good case either incapable of prosecution or doomed to failure."—[*Official Report, House of Lords*, 12 November 1987; Vol. 489, c. 1544.]

For those reasons, I have no hesitation in recommending the Bill to the House. It is a satisfactory development of the law of evidence to met the needs of a modern society, and I welcome it.

9.35 pm

Mr. John Home Robertson (East Lothian): I have no doubt that the good people of the Isle of Wight can rest easy in their beds tonight, in the knowledge that their Member of Parliament has given such detailed consideration to a specifically Scottish piece of legislation. I am sure

that it will come as quite a surprise to a number of people in the towns of Cowes, Ryde and Shanklin to know that this is a matter of such deep interest to him.

Mr. Barry Field: Surely the hon. Gentleman has it in his heart to acknowledge the charity, excellence and diversity of the interests of hon. Members who represent island constituencies, whether it be in the north of Scotland or the south of England.

Mr. Home Robertson: The great difference is that we do not find many Conservatives representing islands or anywhere else in Scotland. I suspect that the hon. Gentleman was put up by the Government Whips to make his contribution. It may come as an alarming surprise to him to learn that, having taken part in a debate on the Floor of the House, he is likely to be appointed to the Standing Committee.

I join other hon. Members—including the hon. Member for Isle of Wight (Mr. Field)—in supporting the objectives of the Bill. In the Minister's opening remarks I was distressed to hear him make the vulgar suggestion that my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) might build a yellow brick wall in what we all know is a red sandstone area, but I was particularly relieved to hear him say that the Government are always ready to learn from experience.

Having followed the proceedings of the Conservative party conference in Perth last weekend, I must say that I saw precious little evidence that the Government were learning anything from experience, but of course we welcome any signs of interest in evidence nowadays on the part of Scottish Ministers. I am afraid that what we heard from the Conservative party conference seemed to be a minority party denying any evidence that had come to it through the electoral process, or indeed from anything else in Scotland.

I was particularly intrigued to read clause 3 of the Bill, which states:

"a statement . . . shall be admissible as evidence in so far as it tends to reflect favourably or unfavourably on that person's credibility."

In Scotland, we pay particular attention to the credibility of one particular citizen of Edinburgh, namely the right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind). If we compare the statements that he made in 1978 with those that he makes in 1988 on questions such as the devolution of power and the decentralisation of government in the United Kingdom and in Scotland, we can only conclude that he is not a reliable or credible witness in any circumstances.

I am grateful to all the lawyers on both sides of the House who have taken part in the debate for the clarity of their contributions. I hope that they are not charging their efforts to the legal aid fund or to anyone else. It seems, however, that there is clear general support for the changes proposed in the Bill on the part of both the advocates and the solicitors represented in the House. Indeed, the only comment by the Law Society of Scotland that has been drawn to my attention has been a caution against any extension of the principles of the Bill into criminal proceedings in Scotland. That point has been made by a number of hon. Members, particularly the hon. and learned Member for Fife, North-East (Mr. Campbell). It would be a very alarming development if the Bill were seen in any way as a precedent to be pursued into criminal law.

My qualification to take part in the debate is limited, to say the least, except that the farming industry has at least its fair share of hearsay, which one gets from time to time following harvest, and there is a great deal of uncorroborated evidence when accounts come to be submitted to the Inland Revenue.

The nearest that I ever got to civil proceedings was after an interesting event that you may have noticed, Mr. Speaker, which was reported in certain newspapers on 9 March this year. Some newspapers, including one that only passes for a newspaper in Scotland, printed clearly maliciously defamatory statements about myself, concerning my conduct in the House. It was entirely on the uncorroborated hearsay evidence provided by no less a person than the hon. Member for Tayside, North (Mr. Walker). Evidently hearsay is admissible in some areas. I suspect that there might be more interest in civil proceedings in Scotland when we deal with all the litigation that is likely to flow from the poll tax legislation, which will be coming shortly.

Comments have been made about the apparent breach in the Bill of two long-standing principles of Scots law, which bar hearsay and uncorroborated evidence. We all recognise the frustration that the parties in civil cases are likely to feel, when they may be thwarted on pure technicalities in a court of law. I am sure that we are all familiar with the—I hope—apocryphal story about an exasperated sheriff who was supposed to reject a defence of alibi with the memorable comment, "If ye hadna' been there ye widna' be here." That point has been made from time to time.

However, I accept that it should be possible for a court to reach a conclusion on the basis of an overwhelming case that includes elements of hearsay or uncorroborated evidence. I trust—I hope that the Minister will confirm that it is the Government's intention at any rate—that that should be the exception rather than the rule. I presume that a court may be obliged only to admit hearsay or uncorroborated evidence, but not necessarily to accept such evidence. I am sure that hon. Members on both sides of the House will want to keep an eye on that. We want the Minister to make it clear that it is not the Government's intention to apply similar principles to criminal law.

My hon. Friend the Member for Garscadden and the right hon. Member for Kincardine and Deeside (Mr. Buchanan-Smith) referred to the operation of the legal aid scheme at present and the fact that retrospective claims are being disallowed when it should be possible to allow them. There is no question but that the new rules are delaying justice and in some cases interfering with the course of justice. Therefore, I hope that the Minister will take this opportunity to say that there is a prospect of a review of that part of the legal aid regulations.

Judging by the debate, we shall have an interesting Committee stage. We look forward to hearing from the hon. Members for Wanstead and Woodford (Mr. Arbuthnot) and for Isle of Wight. We have heard from the hon. Member for Wanstead and Woodford before and we know that he takes a deep interest in Scottish affairs. Whether he takes as much interest in the affairs of Wanstead and Woodford is not so clear. The one absentee from the debate has been, sadly, the hon. and learned Member for Perth and Kinross (Mr. Fairbairn). If only it were in order or possible for the Committee proceedings to be adjourned from this building to Fordell castle, we might have even more enlightened debates in those surroundings.

[Mr. Home Robertson]

9.44 pm

Lord James Douglas-Hamilton: By leave of the House, I am glad to respond to the debate. It was extremely good and there was a high standard of speeches. It was nice to hear the hon. Member for Paisley, South (Mr. Buchan) confirm the merits of the path that we are treading because he piloted through the Bill with a similar provision 20 years ago. He mentioned the human cases involving his constituents. The evidence that he gave the House was very much that that provision has been in the interests of justice. I believe that to be the case.

I should like to answer as many questions as I can, but first I shall deal quickly with legal aid. We had a debate on a statutory instrument in Committee and further improvements are being prepared. A further statutory instrument will be introduced and it will be thoroughly debated in due course. We have kept in touch with the Law Society on that.

The hon. and learned Member for Fife, North-East (Mr. Campbell), who spoke well, asked about dental tribunals. He was correct that certain tribunals are allowed to regulate their procedures. That would include the retention of corroboration or hearsay as appropriate. Whether they retain their strict rules would be a matter for those responsible for those proceedings.

I shall go through the hon. and learned Gentleman's questions with great care before the Committee, but perhaps I should deal now with one that relates to the retention of documents relating to a will. The Scottish Law Commission is considering that matter. Whether sole evidence on the retention of documents is sufficient is a matter for the court to decide on the basis of whether it is satisfied by the evidence. The cases mentioned in relation to section 9 were from its early days and since then its application has relaxed. The cases of Weir *v.* UCS Ltd. and Thomson *v.* Tough Ropes Ltd. are interesting in that area.

I was asked about precognitions which would attack credibility. The reason why a precognition is excluded is because it is a summary of evidence likely to be available from a witness. It is different in nature from a statement uttered by a witness. On family relationships and actions and whether evidence is needed from someone other than a party to the marriage, the present system exists to guard against the risk of collusion between the two parties. The evidence can be wholly or partially from a third party. *[Interruption.]* The hon. and learned Member for Fife, North-East has missed some of the compliments that I paid him. I vividly remember the case when I was his junior counsel and, despite our immense dedication and thoroughness, our united efforts were to no avail.

The hon. Member for Glasgow, Garscadden (Mr. Dewar) also asked about section 9. There has been a change in judicial attitudes which is wholly to the good. Page 3 of the Law Commission report gives a lengthy explanation by Lord Stott of his attitude in declaring against Maclaren *v.* Caldwells Paper Mill Company. He explains that there should be a general remedy, and states that there is an injustice arising from a rule whereby a court convinced that an injured man has given a truthful account of his accident, is nevertheless bound to reject it from the lack of corroboration.

The hon. Members for Aberdeen, South (Mr. Doran) and for Garscadden asked about civil juries. Civil jury trials were abolished in sheriff courts in 1980. The Government want to have the view of interested parties, and the Lord Advocate will carry out a consultation. I cannot be more specific about the time scale. It has been said that there was only a small number of responses to the Scottish Law Commission. That may be so, but one must also take into account that others who were consulted were content with the broad proposals. Corroboration as a safeguard will remain and it is for the courts to rely on the best evidence.

My right hon. Friend the Member for Kincardine and Deeside (Mr. Buchanan-Smith) raised several relevant points. The Bill applies equally to pursuer and defendant. It is up to the pursuer to prove his case, as it is at present.

My hon. Friend the Member for Dumfries (Sir H. Monro)——

Mr. Brian Wilson (Cunninghame, North): Everyone in the Chamber is anxious to hear the Minister's response to the many relevant points made by the right hon. Member for Kincardine and Deeside (Mr. Buchanan-Smith).

Lord James Douglas-Hamilton: I agree with the hon. Gentleman, and I shall endeavour to answer all the important questions that my right hon. Friend asked. One related to the rectification of the Faculty of Advocates and the Scottish Law Commission. My right hon. Friend will be pleased to read in the report that there is no need for rectification. The faculty was in favour of the commission's broad proposals, with the exception of the hearsay notice procedure.

My hon. Friend the Member for Dumfries, in a very good speech, commended the Bill. The best evidence available should always be given due weight by the court. My hon. Friend asked about witness to documents. Clause 5 would enable a business document to be relied upon without further authentication, but if the document was challenged the court could direct that its origin and authenticity be established by evidence. Therefore, someone might have to provide that he had signed a document.

My hon. Friend the Member for Tayside, North (Mr. Walker) asked whether the provision in respect of civil juries was the thin end of the wedge in relation to criminal proceedings. I repeat that the Scottish Law Commission will be considering the matter, but on a completely separate basis.

The hon. Member for Aberdeen, South made an interesting comment on child abuse cases. I believe that the Bill meets his point.

The hon. Member for Angus, East (Mr. Welsh) welcomed the Bill, and I noted especially what he said about legal aid.

My hon. Friend the Member for Wanstead and Woodford (Mr. Arbuthnot) mentioned the need for simplicity and said that the maximum amount of evidence should be admissible. He asked about the different procedures on evidence in England and Scotland. That is a matter for the Lord Chancellor. Reform of the procedures has been mentioned in the current civil justice review which has been published. I am sure that the Lord Chancellor will be interested in what my hon. Friend said.

I agreed entirely with the theme taken by my hon. Friend the Member for Isle of Wight (Mr. Field): what really matter are the interests of justice.

Many points have been made in this extremely useful debate. They will be studied closely before the Committee stage of the Bill. The Bill must achieve an evidential regime which, as far as possible, does not contain technical barriers to the placing before the courts of evidence that will serve the best interests of justice. The Bill meets the principles of simplicity and general admissibility. It has been welcomed because it tries to remove artificial barriers to an otherwise honest and credible case that should at least have the wisdom of the judiciary applied to it.

Several hon. Members asked about our experience. In tribunals, actions for damages for personal injuries and undefended divorce actions, the relaxation of evidential rules has benefited all concerned.

The hon. Member for Garscadden extolled the merits of the abolition of corroboration. In the past, the main difference of opinion arose because of the attitudes that the respective parties adopted 20 years ago. I am glad that we have come some way since then and that the Scottish Law Commission's qualities in assessing the evidence have been well recognised.

Sheriff Macphail and his research party said of the absence of rules against hearsay in tribunals:

> "The divergence in this respect between the courts on the one hand and arbitration, tribunals and inquiries on the other has come to appear more and more noticeable and difficult to justify."

We can take comfort from past examples in that regard.

My right hon. Friend the Member for Kincardine and Deeside asked about the Law Society of Scotland and the Faculty of Advocates. Those bodies submitted substantial comments. The Law Society of Scotland raised a number of issues with my noble and learned Friend the Lord Advocate following the introduction of the Bill in another place. I am pleased to say that the Law Society of Scotland has written a letter that states:

> "The Committee asked me to thank you for explaining the position and to let you know that as far as the Committee was concerned the matter would not be taken any further."

That shows that it was satisfied with this measure.

I was asked about the effect of the Bill on legal aid. I said earlier that the existing strict rules of corroboration and hearsay can have unacceptable consequences for the preparation of cases and time being taken up in court. The hon. Member for Angus, East mentioned the inconvenience and expense of the rules. Parties will not have to corroborate every point of their case. Nor will they have to bring witnesses—sometimes at disproportionate cost—to speak to facts that are not in dispute.

My right hon. Friend the Member for Kincardine and Deeside asked whether there would be a flood of cases, thus creating difficulties for legal aid. I am able to dispel that fear, as the Scottish Legal Aid Board has been consulted and does not think that the Bill will create any difficulties. My right hon. Friend will not expect me to say whether a particular case will qualify for legal aid, because that will be a matter for the Scottish Legal Aid Board.

We want to ensure that in all cases the best evidence available is brought forward. In most cases, corroboration will be relied on so that the courts have the best evidence. So far as possible, the courts will seek to call the witnesses who have made statements. That does not seem to represent a major change to what happens at present. It is unlikely to create difficulties with legal aid.

As to the proposed notice procedure regarding hearsay evidence, the Association of Sheriffs Principal suggested that the procedure was unduly complicated. The Scottish Law Commission's main recommendation removed hearsay restrictions and allied the notice procedure to the powers of the court to exclude hearsay evidence. That had the effect of bringing back the rule against hearsay evidence.

The Scottish Law Commission accepted that the content of a Bill is a matter for the Government. There have been thorough discussions with the Scottish Law Commission, and it appreciated the reason for the departure, in some respects, from its original proposals. I am glad to be able to reassure my right hon. Friend the Member for Kincardine and Deeside that for documents to be admitted as proof of statements contained in them, copy documents will have to be submitted in place of them.

My right hon. Friend asked about multiple hearsay. The witness giving hearsay evidence in court may recount a statement that is itself hearsay, but what will always weigh most heavily with the court is the best evidence. I fully appreciate the concern expressed by hon. Members of the extension of the Bill into criminal legal aid matters.

I believe that the Bill will enhance the ability of the Scottish legal system to provide an efficient and speedy service meeting the ends of justice.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee pursuant to Standing Order No. 61 (Committal of Bills).

Housing Benefit (Scotland)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Budgen.]*

Mr. Speaker: As the hon. Member for Antrim, East (Mr. Beggs) is not present, I call the hon. Member for Cunninghame, North (Mr. Wilson) to move the second Adjournment.

10 pm

Mr. Brian Wilson (Cunninghame, North): This will be yet another lesson for the Scottish Tories—that deviousness gets them nowhere. Despite their filibuster, in which the Minister spoke for 47 minutes to kick off and poor benighted souls from the Isle of Wight and from Wanstead and Woodford were trotted in to prolong the debate, at the end of the day they will have to face the music, because someone has failed to turn up from Northern Ireland, despite their best efforts.

It is timely and valuable that the House should have a further opportunity to debate housing benefit, especially in the Scottish context, and for the Government to have to answer for the burden that they have imposed on local authorities doing their best to maintain decent housing conditions, despite cuts on every front in the past 10 years. Local authorities now have to cope with the fantastic bureaucratic mess of the Government's new housing benefit system. As Members of all parties know, at our surgeries every week and in our postbags every day there come tales of the human misery inflicted on decent people trying to make ends meet as a result of the changes in housing benefit. To call them changes is a euphemism. We are talking about savage cuts. The people at the sharp end, who have had to send out the calculations, have been the local authorities. As usual, the Government have treated them with the utmost contempt.

It is worse than that. After a few weeks of panic in the Tory ranks, the Government come along again claiming to recognise the political disaster that they have visited upon themselves and announcing cosmetic changes. We are told that great magnanimity is to be shown in the clawback, as it were, of the cuts in housing benefit. And who has to recalculate the benefit and deal with the confused folk trying to find out what is happening? Yet again, the local authorities are at the sharp end. And who is to pay for the recalculation, for the manpower and computer effort, not to mention the cost of all this in human misery? I hope that the Minister will tell us today that the Government intend to foot every penny of the bill which has resulted from the confusion that the Government have visited on local authorities.

In towns such as Kilbirnie, Saltcoats and Ardrossan in my constituency, where unemployment is running at rates up to 30 per cent., I know the suffering and heartbreak that has been caused when folk have been told that they face rent and rate increases of £10 or even £20 per week. What kind of Government impose that kind of shock on people already struggling to make ends meet? Many are elderly or disabled, but that is the way in which they have been treated by the Government. I shall not go into specific examples as every Member knows the truth of what I am saying and I wish to allow time for my hon. Friends to participate in the debate.

We then come to the deception that the Government visited on the House when the Secretary of State for Social Services came back to announce the package dreamed up in an attempt to head off the worst of the political consequences for the Conservative party. They came back to talk about the £6,000 savings rule, principally because it affected the client group in which they were most interested for electoral purposes. Many elderly people in my constituency would have been affected by that rule, but relatively few will have been assisted by the changes that the Government announced. Those affected by the £6,000 rule, however, will not be the ones to suffer most. The real suffering will be experienced by those who would regard it as a joke in poor taste to suggest that they had £600 or £60 of savings, never mind £6,000. There was nothing in the Government's package to protect them.

A clear attempt was made to imply that no one would be paying more than £2·50 a week more in rent and rates than before April. That is simply an untruth. To the £2·50 in housing benefit cut have to be added the rent increases that the Government have forced upon local authorities. To the £2·50 and the rent increases has to be added the 20 per cent. rates rule introduced by the Government by sleight of hand. There are other elements, too. Many people will still be paying £7, £8 or £9 per week more in rent and rates than they were before 1 April. These are the very poorest people in our communities and that is the scandal of the Government's actions.

I want to make it clear that it is not the local authorities that are imposing the increases. The local authorities will seek to protect people from the worst impact of the Government's actions. Ministers plead concern and say that something has been done to help people out. Yet at the same time they cannot deny that many of those in my constituency and throughout the country—those with the least means in our society—will be hit by rent and rate increases accounting for upwards of 10 per cent. of their total income.

The Prime Minister made a grotesque public relations trip to Glasgow on Saturday to try to capture a minute amount of good publicity. She intruded shamelessly upon a great Scottish occasion. She was treated with contempt, and the ultimate contempt was simply to ignore her unwanted presence. If the Prime Minister is to make excursions to Glasgow to exude human concern, let her start by addressing the 140,000 people in that city—the poorest people in that city—affected by the cuts in housing benefit. Let her announce that the poll tax is to be done away with instead of persecuting those same people. Let us not have the window dressing of human concern, but the substance of human concern. That does not involve going to football matches; it involves showing compassion and decency towards those who stood on the Hampden terraces on Saturday.

10.3 pm

Mr. Norman Buchan (Paisley, South): I am grateful for the opportunity of participating in the debate, and to all those who contributed towards our obtaining it.

I have been a Member of Parliament for more than 20 years. Without question the past five weeks has been the worst period that I have known in terms of human fear, suffering and tears. The letters have been heart-rending. The way in which the Government have acted in introducing the changes is deplorable. The ineffectiveness of the Government's attempt to remedy matters has been even more deplorable. The reason for that was underlined

by the astonishing answer that the Prime Minister gave when she was challenged on the effect of the housing benefit decisions. She said that this was a matter for local authorities. That is quite extraordinary. The measure was introduced by the Government. The speed with which they acted suggests that they may have been stupid, and if they did not know the consequences of their actions a year ago, they are worse than stupid—they are wicked.

I wish to draw three cases to the attention of the Under-Secretary. The first concerns a widow of 57. She has no £3,000 and no £6,000. She receives £41·50 a week. Her rent and rates have increased by a further £10 a week. That is an increase demanding 25 per cent. of her income.

There is another woman, who is doing exactly what the right hon. Member for Chingford (Mr. Tebbit) says should be done. That single woman goes out to work in difficult circumstances, She has a job, through the Manpower Services Commission scheme, doing 30 hours a week for less than £60. She has to take two buses to get to her work. She, too, has lost almost £10. After paying for her bus fares and rates and having her telephone taken out—her only link with her family—she is left with £17 a week for heating, lighting and food. She asks: "How can I do this?" I have sent her letter to the Prime Minister, because I cannot answer it.

These measures have been brought in within weeks of a Budget that gave nearly £2 billion away to the richest 5 per cent. of the community. This caused anger. The Opposition were accused of chanting, "Shame." I confess that I chanted, "Shame," and I meant it. I did it not as part of an organised team but because I knew the Budget's effect. I knew what could have been done with £2 billion. Five weeks later, the so-called poor man's Budget has been slashed, in one case to 25 per cent. That is appalling. We are told that the problems will be solved because the Government have responded to the pleas, but their response is inadequate. It does not deal with 90 per cent. of the cases.

The Government have been obsessed with people's capital. The adjustment from £6,000 to £8,000 is small enough but there are worse cases—people on low wages and people on small pensions. There is the woman of 67 with arthritis and her husband of 72 with angina, whose weekly income of just over £60 has been cut by about £10. They are the worst cases, and the £2·50 provision will not solve their problem. My hon. Friend the Member for Cunninghame, North (Mr. Wilson) said that it does not deal with the problem. At best, these people will have to pay £2·50, plus rent increases, plus 20 per cent. of their rates. I hope that the Minister will come up with some rapid answers because there is deep human misery in every poor area of Britain.

10.12 pm

Mr. Donald Dewar (Glasgow, Garscadden): I am grateful to my hon. Friend the Member for Cunninghame, North (Mr. Wilson) for giving me a few minutes to intervene in his Adjournment debate. I do not want to go over the ground that has been eloquently sketched by my hon. Friends the Members for Cunninghame, North and for Paisley, South (Mr. Buchan). I endorse their feelings.

This has been a bad time for many people of modest means living in difficult circumstances. In a strange way, it has been a bad time for elected representatives. Like my colleagues, I cannot remember ever being so stuck for consolation or advice as in the past week or two. It is now commonplace to be approached by people who have been given the prospect of having to pay an increase in their housing costs in one month that exceeds their weekly income. With simple, stark finality we are told, "We cannot find the money, we cannot pay it. With the best will in the world, it cannot be done." We know that that is true and we cannot wish that fact away.

In fairness, it should be said that there have been some signs of repentance. The Secretary of State for Social Services said that the loss would be restricted to £2·50. The comment has been well made that that is only a partial account of what is happening and that the reservations, caveats and small print mean that almost everyone will still be a substantial loser. I still have in my constituency people who are not of pensionable age, who do not have children living with them in the family and who are not in receipt of any of the special disability benefits that bring them within the cover of the so-called protection. They are the low paid. Because they are low paid and not covered, they are still left in the original, frightening quandary that my hon. Friends have described in the past few minutes.

I want the Minister to give us some reassurance and some evidence that the Scottish Office, which, after all, is responsible for housing and for the operation of housing departments, has thought the matter through and that in the rather inadequate arrangements that have already been announced, a workable system is beginning to take shape. I am sure that the Minister has been giving a great deal of thought to the matter. I should like him to share with us his ideas of how the new system will work.

As I understand it, a DHSS unit is to be set up in Glasgow to deal with the United Kingdom. The onus will be on an individual applicant to look to that unit for the protection that may be available, that may lead to a lessening of the financial blow that he or she faces. I want the Minister to explain exactly how that system will work and how it relates to housing departments in Scotland. For example, will they have to continue for several months to take the new housing costs, rent and rate calculations, according to the new scales? There has been talk about the unit coming into operation only in July. The unit will then be inundated with work. Will people have to pay the new higher scales for a considerable period, without the benefit of any of the protection that has been announced? What are the duties of local authorities? How do they mesh into the system? Can they supply to the DHSS lists of those who are to get some help? Can we speed up the process?

It is important to make the point about the cruelty—I use that word with considerable seriousness—that has been built into the operation and the way in which it has been mishandled. Given that disaster, I should like the Minister to explain exactly what will happen. If he does that and if, on Saturday—as inevitably will occur—someone comes to me, facing an increase in their housing costs of about £60, £70, £80 or—as happened last Saturday—£90 a month, although they live on benefit, instead of saying something vague and indefinite, such as "There will be some measure of help. I do not know when or how it will operate, because it is not clear," I shall be able to say, "I have talked and listened to the Scottish Office Minister. He has been able to explain to me exactly what will happen, how you apply, what the local housing department has to supply the DHSS with in the way of records and information, when you can expect to get help and how it will be calculated."

[Mr. Donald Dewar]

The Minister has 13 minutes. He can give us a great deal of information, which must be available. It would be a genuine service to me as a constituency hon. Member if he could do something to put into order the chaos, dismay and the damage that his colleagues' policies have brought to my constituency.

10.17 pm

The Parliamentary Under-Secretary of State for Scotland (Lord James Douglas-Hamilton): I am glad to respond to the debate. I congratulate the hon. Member for Cunninghame, North (Mr. Wilson) on his ingenuity in getting the debate.

These are serious and important measures. The subject of the debate is the impact of housing benefit changes on housing departments of Scottish local authorities. The hon. Gentleman will appreciate where my responsibilities and those of the DHSS begin and end. I assure him that, in so far as he has raised matters that relate more to the DHSS than to the Scottish Office, such matters will be drawn to its attention. Full information will be provided to the hon. Member for Glasgow, Garscadden (Mr. Dewar) on the points that he mentioned. I shall deal as fully as I can with what I see the position to be.

Not a few hon. Members will be impressed by the procedural canniness with which the hon. Member for Cunninghame, North obtained the debate at such short notice. Of course, my right hon. Friend the Secretary of State for Social Services is responsible for housing benefit, but it might assist the hon. Gentleman if I comment briefly on the features of the reformed housing benefit system that was introduced. I shall then examine the effect that the system may have on housing departments in Scottish local authorities.

I emphasise that the first purpose is to make the new scheme simpler, because it will be aligned with the rules for income support and family credit. That means that people will not be so confused about what they are entitled to. The second purpose is to make the system fairer. People will be treated alike, whether or not they are in work, and the worst features of the poverty trap under the old scheme will be eliminated. It is worth noting that the Secretary of State for Social Services gave the undertaking that his Department would monitor the general effects of the reforms to housing benefits and the effects of the wider package of reforms that he introduced.

One feature of the new scheme that will be of interest to pensioners is the pension premium, which will benefit pensioners—the rates will be higher for those over the age of 80. It is true that pensioners will be the biggest group to be affected by the benefit changes and that is inevitable. It is widely appreciated that, at present, pensioners are by far the largest group of housing benefit recipients. They account for about 60 per cent. of recipients.

Much has been said about the new capital rules and I do not intend to rehearse the arguments about them tonight. It should not be forgotten that under the former system any income generated by savings was taken into account. At present, capital of less than £3,000 and any income generated from it will be disregarded in the benefit calculation. That will be of benefit to pensioners, especially those with small amounts of savings.

The disabled are another group who have done relatively well in the changeover from the old to the new system. The premiums for the sick and the disabled, for example, are much higher than the former enhancements for the disabled. One important point that I wish to emphasis is that the new housing benefit arrangements will insulate tenants from rent increases if they are receiving housing benefit. That means that even those tenants who have a small portion of their rent paid by housing benefit will receive a pound for pound increase in their benefit to match any subsequent increases in their rent.

I have outlined some particular features of the new scheme that I feel are particularly worthy of the House's attention. I believe that the former system placed an unacceptable burden upon the taxpayer.

Mr. Dewar *rose*——

Mr. John Home Robertson (East Lothian) *rose*——

Lord James Douglas-Hamilton: I will not give way, as I have a lot to say in response. The fact that the former system covered approximately one household in three was not justified by any evidence of need. The changes are designed to protect the poorest and to direct resources more effectively to where they are needed most.

Mr. Home Robertson *rose*——

Lord James Douglas-Hamilton: No, I will not give way.

I believe that the changes to housing benefit cannot be seen in isolation from other aspects of Government policy. The need to control inflation and public expenditure is without doubt just as important now as when we first came to office. There is no denying the fact that everyone benefits from lower inflation, especially pensioners and others on fixed income.

Any fundamental change in any scheme of support will obviously produce gainers and losers. There is no way of avoiding that. The Government believe that approximately one half of pensioners on income-related benefits will gain under the new scheme and that, consequently, approximately one half will lose. Generally those who lose will be relatively better off.

Mr. Dewar *rose*——

Lord James Douglas-Hamilton: No, I must press on.

I believe that to direct help first and foremost to the poorest and most vulnerable of our society is a sound and entirely defensible principle of social policy.

Mr. Wilson: Can the Minister tell us where the poorest begin and the less poor end? The people who come to my surgeries and who write to me are, by any humane definition of the poorest, within that category. In the Minister's world, does somebody need to be living in a cardboard box before he is regarded as one of the poorest?

Lord James Douglas-Hamilton: The Secretary of State for Social Services listened carefully to the representations that were made by hon. Members; that was why he came forward with changes that took into account the varying circumstances.

I have described the basis of the thinking that lay behind the reforms to housing benefit. I shall now consider the effect that those reforms may have on the housing departments of Scottish local authorities. As I have already said, I believe that the new scheme is simpler. Consequently, the task of administering it by local

authorities will be that much easier. There will be fewer exceptions, rules will be aligned across a wide range of benefits, there will be one taper instead of six so there should be fewer mistakes in assessing individual benefit levels than in the past. It is true that the Government are changing the subsidy arrangements by which we pay back local authorities for their benefit and administration costs. We are doing this to encourage efficient administration.

Mr. Dewar: Will the hon. Gentleman give way?

Lord James Douglas-Hamilton: No, I shall not.

Councils will still receive a fair level of support for costs reasonably incurred, but we are giving them firm incentives to control costs and improve efficiency.

Mr. Dewar: Before the Minister concludes, will he tell us what advice he would give to someone who is faced with a substantial increase in their housing costs? How will he explain what will happen in the next month or two? How will the Minister tell them to get the protection that he has been talking about, and relate that to the restriction of £2·50? How is it going to work, and what kind of information will they have to supply, to whom and when?

Lord James Douglas-Hamilton: The hon. Member for Garscadden asked a lot questions all rolled into one. He is asking what one would say to one's constituents. I will tell him exactly. The first point is to ascertain whether the constituent is claiming all the allowances to which he or she is entitled. Frankly, in some cases they are not doing that. It is important to go thoroughly into the facts. The specific DHSS levels are the responsibility of the Secretary of State for Social Services.

In conclusion, I affirm that the Government have struck a careful balance in their reform of housing benefit between the need to reflect the ever-increasing cost and scope of the scheme, the need to simplify and the need to protect the poorest. I believe also that the considerable simplifications introduced by the new scheme will benefit local authorities, contrary to the assertions that have been made.

10.27 pm

Mr. Home Robertson: It would be helpful if the Minister could reply to some of the points put to him by my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar). However, perhaps the most interesting question that our constituents would like the Minister to answer is how he could manage to live, after paying for his housing costs, on as little as £14 a week. Would he be prepared to do that? If not, why should his or my constituents be expected to do that?

Mr. Wilson: This is an astonishing occasion. Hundreds of thousands of people in Scotland are living in the direst poverty and fear because of this issue. Conservative Members failed to head off a half-hour debate on this subject. The Minister is left with 13 minutes to explain the details of how this wickedness is to operate. He cannot even do that. He sits down in deadly silence. It is the biggest indictment of ignorance, alongside incompetence, that we have seen in the House this Session.

10.28 pm

Mr. Henry McLeish (Fife, Central): I think that my hon. Friend the Member for Cunninghame, North (Mr. Wilson) made the point that this is an extraordinary response to what is a crisis in Scotland for our tenants. I am sure that the Minister will face numerous problems in relation to housing benefit, especially as it will have an impact on the housing departments throughout Scotland. One of the crucial issues that we face is that, because of changes in social security and reductions in housing benefit, many of my constituents will be unable to pay their rent.

What guidance will the Minister give to local authorities which may have hundreds of tenants unable to pay their rent? Will the Minister consider a non-eviction policy emanating from St. Andrew's house? Clearly, many people are on the breadline.They will not be able to pay rent or rates to the local authority. I am sure that the Minister is aware that I have had pensioners and people on low incomes, in tears at my surgeries. It is a horrific experience to see people, who have paid their taxes, rents and rates all their lives now in the invidious position of being worse than beggars with a bowl. They come to surgeries and they say, "What can we do? What can you do to help?"

Mr. Dewar: The Government are ignorant.

Mr. McLeish: We are left in the amazing position where we can only say that we will write to the Prime Minister and bring it to her attention. There are few constituents who can appreciate that a Government can be so mean, so vicious, so malicious and, as my hon. Friend the Member for Garscadden (Mr. Dewar) said from a sedentary position, so ignorant of the plight of hundreds of thousands of Scottish people. These people are on the breadline and they feel that this kick in the teeth over housing benefit is something that they cannot cope with.

Why has the Minister not answered some of these questions? Housing departments are looking for guidance and leadership. After what this Government have done to my constituents and many of my hon. Friends' constituents, we deserve answers. Sadly, they have not been forthcoming.

Lord James Douglas-Hamilton: Decisions on the rents to be levied are wholly for the local authorities to take into account.

Several Hon. Members *rose*——

The Motion having been made at Ten o'clock and the debate having continued for half an hour, MR. SPEAKER *adjourned the House, without Question put, pursuant to the Standing Order.*

Adjourned at half past Ten o'clock.

House of Commons

Tuesday 17 May 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

SOUTHERN WATER AUTHORITY *[Money]*

Queen's Recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the Southern Water Authority Bill, it is expedient to authorise any increase attributable to that Act in the sums payable out of money provided by Parliament under section 90 of the Land Drainage Act 1976.—*[Mr. Durant.]*

Oral Answers to Questions

EDUCATION AND SCIENCE

Primary Teachers

1. **Mr. Evennett:** To ask the Secretary of State for Education and Science what representations he has received from local education authorities concerning difficulties in recruiting primary school teachers.

The Minister of State, Department of Education and Science (Mrs. Angela Rumbold): None recently. There are sufficient primary teachers nationally. However, the high cost of housing in particular has led to recruitment difficulties in some parts of London and the south-east.

Mr. Evennett: I thank my hon. Friend for her reply. I am sure that most LEAs welcome the Government's initiative in teacher recruitment. However, in Erith and Crayford there is a considerable shortage of primary teachers and housing is, of course, a major consideration. Will my hon. Friend consider further initiatives to encourage married women to come back into primary school teaching, perhaps on a part-time basis?

Mrs. Rumbold: I thank my hon. Friend for his question. I recognise that there are some difficulties in his constituency. I understand that all but three of the teaching vacancies in the borough of Bexley have been filled this term and, indeed, all but one in the school in which I believe he is particularly interested, Southlake primary school.

We are doing everything in our power to recruit teachers and to encourage part-time teachers; and the borough of Bexley is taking an initiative in encouraging married women to come back into the teaching profession part-time.

Mrs. Clwyd: Is it not a fact that the Government have no published targets for overall teacher numbers? The Secretary of State's recent report of 31 March, which criticised the lack of objective data available, makes it impossible to state whether recruitment, retention, motivation and quality are satisfactory. How can the Minister expect us to take anything that she says on this matter as being definitive?

Mrs. Rumbold: The hon. Lady will no doubt therefore be glad to hear that the demand for teachers rises as primary school pupil numbers rise and, to cope with the future demand, target entry into initial teacher training for primary pupils has increased from almost 7,000 in 1983 to 11,000 in 1989. To date, we have more than 17,600 applications for almost 10,000 places. That is 77 per cent. over target, and I am sure that the hon. Lady will welcome that.

Mr. Pawsey: To bring those figures into perspective, will my hon. Friend give the House details about the number of teachers employed in the profession and about the recruitment of teachers? Is she satisfied with both the quantity and quality of recruits coming forward for the profession?

Mrs. Rumbold: Yes, Sir. We have almost 500,000 teachers in primary and secondary schools at present. We are very happy about our programmes for recruitment of teachers through our task force, particularly in London through the Islington recruitment fair, which has been extremely successful in attracting 3,400 people who showed an interest in primary school teaching.

Free Milk

2. **Mr. Janner:** To ask the Secretary of State for Education and Science if he will make a statement concerning the removal of the discretionary power of local authorities to provide free milk for children in special schools.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): Children whose families are in receipt of income support continue to receive free milk. Nothing in the Social Security Act 1986 prevents a local education authority from providing subsidised milk at lunch time to other children attending special schools, provided that milk offered to children attending mainstream schools receives the same level of subsidy.

Mr. Janner: Is the Minister aware that, as a result of the Government's recent mean and miserly measures, free school meals have been removed from a majority of children in special schools, and, with them, the right to free school milk? Is not taking the milk from the mouths of children with special needs a thoroughly nasty and disgraceful act which has caused enormous harm and ill-will among thousands of children and to those who teach them, not least in Greenacres school for special needs children in my constituency?

Mr. Dunn: The hon. and learned Gentleman uses intemperate language. I must remind him and the House that the latest survey showed that before the implementation of the Social Security Act 1986, 39 of the 97 authorities in England did not exercise their discretion to provide free milk to children attending special schools. Of those authorities, 13 were Conservative-controlled, one was Liberal—heaven forbid—16 were hung councils and nine were controlled by the Labour party.

Mr. Harry Greenway: Will my hon. Friend confirm that not only do 100,000 more children in special and ordinary schools receive an allowance through their parents for free school meals than formerly, but that the allowance covers free school meals throughout the year, not simply during term time, as under the previous Labour Government?

Mr. Dunn: My hon. Friend the is absolutely right in his interpretation. I remind the House that it was always our intention that financial benefits should be concentrated on those in financial need. That is right and proper.

Mr. Campbell-Savours: Is the Minister aware that he can play around with statistics, but he will never convince the people who live in Kent who are very angry about the fact that in excess of 4,000 children will lose free school meals? Does his conscience not prick him——

Mr. Speaker: Order. There is a question about meals later. This is about milk.

Mr. Dunn: I should like to know by what authority the hon. Gentleman seeks to speak for the county of Kent.

Mr. Tony Banks: He speaks for England.

Mr. Speaker: Order. I am not responsible for what the hon. Member for Workington (Mr. Campbell-Savours) says.

Mr. Dunn: If the hon. Member for Workington (Mr. Campbell-Savours) speaks for England, heaven help the country.

Teachers (Pay and Conditions)

3. **Mr. Buckley:** To ask the Secretary of State for Education and Science what representations he has received on the report of the interim advisory committee on teachers' pay and conditions; and if he will make a statement.

The Secretary of State for Education and Science (Mr. Kenneth Baker): I have received written and oral representations from the teacher unions and the local authority associations.

Mr. Buckley: Does the Secretary of State accept that morale in the teaching profession is pretty low because of pay? Does he also accept that the interim advisory committee report recommends that teachers should have an equal salary increase across the board and also considers the £300 million allocated to be a restraint on the wage increase for the teaching profession, which is well below the average increase in earnings of 8 per cent. recently awarded to other workers, such as nurses and doctors, and others in industry? Will the Secretary of State comment on that?

Mr. Baker: Teachers will receive 4·25 per cent. from 1 April on top of the 8·2 per cent. last October. Teachers on the main scale will, on average, receive a further 4 per cent. in September as a result of increments. Increases for individual teachers during this year will range from 4·25 to 14·5 per cent., when allowance is made for the increased value and number of allowances.

Mr. Madel: As the administration and teaching of GCSE has a lot to do with teachers' conditions of service, will the advisory committee on pay and conditions publish some of its conclusions and opinions on how this first year of GCSE has worked out?

Mr. Baker: That goes rather beyond the remit of the interim advisory committee, but I pay tribute to the work of teachers across the country to make the introduction of GCSE so successful, which I am sure it is and will be.

Ms. Armstrong: Does the Secretary of State recognise that many teachers are looking to the Government for some response to the work that they have been putting in to improve GCSE and to cope with the many changes that he is suggesting? Is it not disgraceful that the Government are suggesting offering them just over 4 per cent., when other average earnings are increasing by more than 8 per cent., and when the Government gave in to pressure from the nurses to improve their pay and conditions? Why will the Secretary of State not respond to the teachers?

Mr. Baker: There was a major restructuring for the teachers last year, just as there is a major restructuring for the nurses this year. I do not know whether the hon. Lady heard my reply earlier, but I said that teachers would receive 4·25 per cent. in April and the great majority of teachers on the main scale will receive another 4 per cent. in September. If they qualify for incentive allowances, some teachers will get infinitely more than that.

Mr. Paice: Does my right hon. Friend agree that the extra increase in incentive payments in the latest award —well above the basic 4·5 per cent.—means that there is ample opportunity for the better teachers to improve themselves and be better rewarded?

Mr. Baker: I agree with my hon. Friend. That is one of the features of the IAC report and the structure of teachers' salaries introduced last year. There are now five different grades of allowances which permit good teachers, teachers with more responsibility and teachers in shortage subjects to be rewarded. That structure was given tremendous impetus by the IAC report.

Mr. Fatchett: As the Press Association tapes report that the Secretary of State is having to cancel meetings because of the
"pressures of the Education Reform Bill",
we are delighted to see him here this afternoon. Will he note that the interim report paints a worrying picture of low morale among teachers, of key shortages of teachers of important subjects, and states that there is real doubt about the ability of teachers to deliver the national curriculum? What action will he take on the interim advisory committee's suggestion that none of those problems can be satisfactorily resolved if the £300 million ceiling is maintained?

Mr. Baker: To answer the hon. Gentleman's last point, although there was a cost envelope of £300 million, the cost of the report's full recommendations came to £332 million, and I have accepted the extra allowances. My hon. Friend the Minister of State has already emphasised the impetus that we are putting into increased teacher training. I agree with the hon. Gentleman that we shall need more teachers, particularly in certain shortage subjects, to implement the national curriculum. We have several schemes in hand, and there was a good increase in recruitment last year. I hope that there will be an increase this year as well.

4. **Mr. Flannery:** To ask the Secretary of State for Education and Science when he next proposes to discuss the restoration of negotiating rights with the teachers' unions.

Mr. Kenneth Baker: I expect to discuss the Green Paper on future pay determination machinery with representatives of teacher unions over the next few months.

Mr. Flannery: Is it not a fact that the Minister has now got himself into such a mess about the Education Reform Bill and the education system that he does not know where he is and is having to cancel all his speeches in order to be here? Does he realise that free negotiation is fundamental to the democratic rights of any group of working people, not only teachers? For the right hon. Gentleman to take that right away from teachers and then start boasting of how much he is giving them is no way of doing what the International Labour Organisation has asked him to do, which is to restore teachers' negotiating rights. It is not enough for the right hon. Gentleman to say that teachers are getting this, that and the other. That is insufficient, and he should restore teachers' negotiating rights in a democratic manner, straight away.

Mr. Baker: The ILO committee on freedom of association will be meeting later this month to report to the committee of experts, but it has no formal standing in itself. If in due course, the ILO makes representations to the Government, we will carefully consider them. However, I have already met the six teaching unions during the course of the past few days. We have discussed only briefly the future machinery for the determination of teachers' pay and conditions, but I will meet all the unions again later this year. The Government have put forward certain proposals in the Green Paper, as the hon. Gentleman knows. There is still a wide difference of opinion between the unions about the machinery that they would like.

Mr. Anthony Coombs: Will my right hon. Friend reflect upon the appalling fact that, of the five teacher associations, the NAS/UWT has already decided that it will take industrial action, which is against the interests of the children in the classrooms? Does he agree that it is not just a coincidence that the fastest-growing teachers' association is constitutionally committed against any kind of industrial action?

Mr. Baker: I agree with my hon. Friend that the Professional Association of Teachers is totally committed against taking any kind of industrial action, and its membership is growing. I saw representatives of the NAS/UWT last Friday morning and made it clear to them that I was shocked and appalled that, of all the unions, it advocated a half-day teachers' strike. Such action will be highly damaging to the children affected—and only the children will suffer. It is a completely unnecessary and purely token strike. I hope very much that that union will think again.

Mr. Straw: Is the Secretary of State committed to the restoration of negotiating rights for teaching unions?

Mr. Baker: I clearly stated that we have put forward our proposals for a teachers' negotiating group, and I shall be discussing that with the teaching unions in the coming months. I am surprised that the hon. Gentleman has not taken this opportunity to condemn utterly the proposed half-day strike by the NAS/UWT.

Village Primary Schools

5. **Mr. Hicks:** To ask the Secretary of State for Education and Science what proposals he has to ensure the future of village primary schools; and if he will make a statement.

Mr. Dunn: It is the responsibility of local education authorities to provide a proper service to villages and rural areas as well as to other areas that they serve. My right hon. Friend the Secretary of State is currently supporting a number of projects, including one in Cornwall, designed to identify ways of enriching the curriculum of rural primary schools. Any proposal for the closure of a village school which comes before us is considered very carefully in the light of the criteria set out in the Department's circular 3/87, which makes it clear that size is not a criterion for closure.

Mr. Hicks: Does my hon. Friend agree that, to ensure the future of our village primary schools, it is esential that adequate resources are made available for vital improvements and extensions? Is he aware that in Cornwall alone over 50 major and minor primary school projects are awaiting attention, which is particularly worrying as by 1993 Cornwall will have 40,000 children of primary school age, the highest ever?

Mr. Dunn: My hon. Friend is right, but I must point out that allocations for capital works are made annually. Cornwall's allocation for schools and for further and higher education in 1988-89 was £6·4 million, which represented an increase of 14 per cent. over the figure for 1987-88. Of course, it is the duty of local authorities to look at their demographic situation and to decide whether to build new schools.

Mr. Matthew Taylor: Hon. Members will be aware that I represent and take particular interest in what the Minister has had to say about Cornwall's education system. The Minister will be aware of the particular difficulties that the county faces. I welcome the county's increase in its capital spending programme this year, but, with the new assessment arrangements, particular costs, in terms of teaching time, will hit primary schools. Has the Minister made any assessment of that impact, and has he any plans to help local authorities to overcome it?

Mr. Dunn: I congratulate the hon. Gentleman on being appointed to his new post.

I must remind him that in allocating resources for capital expenditure the Department of Education and Science will continue to give priority to projects which provide places in areas of population growth. That answers the hon. Gentleman's point and refers to the earlier point made by my hon. Friend the Member for Cornwall, South-East (Mr. Hicks).

Mr. Key: Will my hon. Friend give special consideration to education support grants for rural primary schools' curriculum enrichment projects, such as that in Wiltshire, whose term is coming to a natural end?

It would be disastrous if such projects were cut off at this stage. Will he do his best to ensure that those projects continue?

Mr. Dunn: My hon. Friend will be aware that the projects are in their mid-term phase and are being evaluated at local level. My right hon. Friend the Secretary of State is considering the possibility of a research project to evaluate the projects on a national basis, with the intention of disseminating to local education authorities examples of successful practice. I undertake to bring my hon. Friend's remarks to my right hon. Friend's attention.

Mrs. Clwyd: Will the Minister admit that there are serious anxieties that open admissions could lead to some schools bursting at the seams and accelerated closures of other schools, with a reduction of parental choice, especially in rural areas? How will he protect such schools?

Mr. Dunn: The hon. Lady falls into the trap that Opposition spokesmen fall into every time they appear at the Dispatch Box. They seek, as ever, to deny choice to parents whenever and in whatever situation they can possibly contrive to do so. We stand for sensible choice for parents wherever and whenever possible.

Dame Elaine Kellett-Bowman: My constituents are more than grateful for the unwavering support that my hon. Friend has always given to village schools and their excellent varied curriculum. They are glad to hear him reiterate that size alone will not be the criterion for closure, but they are worried about what will happen when the new building regulations come into effect in 1991. Will he ensure that there is sufficient money to enable our village schools to continue to serve the rural areas?

Mr. Dunn: We have always made it clear that many other factors bear upon the life and long-term survival of village schools. I have always recognised that many small village schools have to be retained because of the geographical isolation of the communities that they serve, so my hon. Friend's remarks are well received by me.

Mr. Paul Gray (Letters)

6. **Mrs. Fyfe:** To ask the Secretary of State for Education and Science whether he has any further information about the inquiry into the leak of the letter of 21 January from Paul Gray, in the Prime Minister's Office, to Tom Jeffrey in his private office; and if he will make a statement.

8. **Mr. Dalyell:** To ask the Secretary of State for Education and Science if he will make a statement on the progress of the leak investigation into the improper disclosure of correspondence between Mr. Paul Gray of 10 Downing street, and Mr. Tom Jeffrey, relating to educational testing.

Mr. Kenneth Baker: No, Sir. It is not the usual practice to give information on such matters.

Mrs. Fyfe: I do not know whether to thank the Minister for that abbreviated answer. Which does he think is the worse crime—that a mole should leak a letter, or that a Prime Minister should oppose the diagnostic testing of children on the ground that the remedial action that would necessarily follow would cost too much?

Mr. Baker: The Prime Minister does not oppose the diagnostic testing of children. If the hon. Lady reads the task group on assessment and testing report carefully she will find considerable criticism of diagnostic testing and its misuse. I remind the hon. Lady that not only has TGAT been published, but that on the substantive issue I have received three supplementary reports. We shall be publishing those, together with our responses, in the near future. We shall also be publishing our views on the system of assessment and testing.

Mr. Dalyell: What does the Secretary of State think would occur if he confronted the Prime Minister with the truth, namely, that the leak was authorised on the Prime Minister's behalf from Downing street?

Mr. Baker: The hon. Gentleman's paranoid preoccupation with plots is one of his most enduring and, indeed, endearing characteristics. I am afraid that yet again he has let his imagination run wild, and his imagination is one of the most unpredictable elements of British politics.

Mr. Dickens: Is it not a fact that over the years the Opposition have had so little to contribute to debates that they are pleased to find leaks of letters to act as a diversion to cover up their inadequacies and failure to contribute to debates on education and on every other subject?

Mr. Baker: I could not have put it better myself. My hon. Friend is absolutely right. We are still waiting to hear from the Opposition—*[Interruption.]* I know that my hon. Friend is very popular, so I must mind my Ps and Qs. We are still waiting to hear from the Opposition their ideas and policies on a whole range of education matters, particularly assessment and testing.

Mr. Straw *rose*——

Mr. Skinner: Is the Secretary of State on the Chancellor of the Exchequer's side?

Mr. Straw: I was just about to ask that.

We have read not only the TGAT report but the letter that passed between the Prime Minister's private secretary and the right hon. Gentleman's private secretary. The Secretary of State must know that there is a major difference of opinion between the Prime Minister and himself. Now that the Chancellor has beaten the Prime Minister so roundly over the issue of sterling, will the Secretary of State follow his example, find his courage, and beat the Prime Minister, who wishes to introduce a system of competitive testing that will damage the education of the nation's children?

Mr. Baker: The Prime Minister and I were at one in welcoming the report. The questions raised by the Prime Minister were precisely the same as those raised in Committee, namely, that any system must avoid being too elaborate to be understood, too difficult to implement and too expensive to be practicable. The hon. Gentleman overlooks the fact that the TGAT report came out in favour of age-related testing at seven, 11, 14 and 16 and the publication of results and records of pupil achievements —all opposed by the Labour party in the past. Are Labour Members going to agree with those recommendations now, or not?

Mr. Dalyell: In view of that unsatisfactory reply, I give notice that I shall seek to raise once again on the Adjournment the conduct of the Prime Minister's Office.

Rating Reform

7. **Mrs. Mahon:** To ask the Secretary of State for Education and Science whether he has any plans to meet the National Union of Students to discuss the arrangements for the introduction of the community charge; and if he will make a statement.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Robert Jackson): No. My right hon. Friend is aware of the views of the National Union of Students on the community charge. Arrangements for the introduction of the community charge are a matter for my right hon. Friend the Secretary of State for the Environment.

Mrs. Mahon: Does the Minister accept that there are often good security reasons why women and overseas students do not want their addresses made public? What guarantee will he give as to their safety when the new system is introduced?

Mr. Jackson: This matter will, of course, have to be considered by my right hon. Friend the Secretary of State for the Environment. I believe that he has made it clear that it will not be necessary to publish the names of certain categories of people, including those to which the hon. Lady referred, in the published list of those who are to pay the community charge.

Mr. Cormack: How does my hon. Friend defend the imposition of the community charge for students? How will he ensure that they all pay?

Mr. Jackson: All students have a vote. They have a vote in local elections. They benefit from the services provided by local authorities. That is why my right hon. Friend the Secretary of State for the Environment and the Government are introducing their proposals. More than 60 per cent. of students already contribute to the domestic rates. We discovered from our recent survey that they contribute some £70 to £80 per head.

Rev. Martin Smyth: Does the Minister understand the position of students from Northern Ireland, whose parents will pay the full rate, while those studying in Great Britain will be liable for the community charge?

Mr. Jackson: Whether and to what extent students will be further compensated for their obligation to pay the community charge are matters being considered in the Department's review of student support. No decisions have yet been made.

Mr. Rhodes James: Will my hon. Friend and my right hon. Friend the Secretary of State consider discussing with the Royal College of Nursing the particular position of student nurses under the new provisions?

Mr. Jackson: I repeat that the eligibility of all students, including nurses, will be considered in the context of the review.

Mr. Andrew F. Bennett: I am sure the House understands why the Minister wants to put the blame and responsibility on the Department of the Environment for the implementation of the poll tax for students. The reason is that it will cause many problems. Will the student have a vote at home and pay the poll tax where his college is situated, so that there is not a link for students between the vote and the poll tax?

Mr. Jackson: It is a matter of electoral law as to where students cast their vote. This is a matter for the Home Office. Students have a choice as to where they register to vote and where they vote. I shall come back to the hon. Gentleman on that point.

Mr. Brandon-Bravo: Reverting to the original question, is my hon. Friend aware of the number of students registered with phoney colleges who are illegally in this country? If this system identifies those people, that will be right and proper.

Mr. Jackson: The Department has recently tabled amendments against bogus degrees in the House of Lords. We hope that this will be a way of tackling this problem.

Inner London

9. **Mr. Sedgemore:** To ask the Secretary of State for Education and Science what recent representations he has received about the future of education in inner London; and if he will make a statement.

Mr. Kenneth Baker: Since my announcement on 4 February my Department has received many comments from many sources.

Mr. Sedgemore: Can the Secretary of State give the House an assurance that, if the House of Lords stiffens its spine and decides that there should be a review of ILEA before any decision on abolition, he will recommend that the House accepts that decision? Can the right hon. Gentleman confirm the message on the tapes today that he is running so scared, and so frit, and is sweating so profusely with fear, that he has cancelled all his engagements and left them to the office boy?

Mr. Baker: I do not appear at the Dispatch Box as a trembling, blushing violet. I understand that the House of Lords has just started, or will shortly start, a debate on ILEA. We shall all watch the outcome with great interest.

Sir Geoffrey Finsberg: Will my right hon. Friend bear in mind that there are 20 times as many residents in inner London as those who took part in the so-called phoney parents' ballot? Will he also disregard the jaundiced remarks of ex-Prime Ministers, however eminent they may think they are?

Mr. Baker: Yes, as to the last, most certainly I will. As regards the parental ballot, decisions to transfer education responsibility from one sphere of government to another have always been taken by Parliament. That is the constitutional position. It is for Parliament to weigh up all the arguments, taking account of the views, not only of parents, but, as my hon. Friend says, of all those ratepayers who have to bear any consequences. As regards the ILEA ballot, the method chosen for the organisation of the ballot makes it next to impossible to determine how many parents actually voted.

Mr. Tony Banks: Does the Secretary of State remember those days when he was the PPS to the then Prime Minister? Does he not pay any attention whatsoever to his right hon. Friend's wise words these days over the future of the Inner London education authority?

With regard to that parents' ballot, does the Secretary of State say that that ballot is completely invalid and was fixed? Is that what he is telling the House?

Mr. Baker: All I am saying is that it was impossible to determine how many parents voted in that ballot. As regards the views of my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath), I think that he was wrong about ILEA while he was in office, and he is wrong now.

Mr. Bowis: My right hon. Friend will have seen the Gallup poll, which shows that the majority of parents in inner London have no worries about the transfer of education to the local boroughs. However, will he confirm that those who do have anxieties will not have their interests served by a delay in the implementation of the Education Reform Bill?

Mr. Baker: As I have said, this is being debated by the House of Lords. I have considerable sympathy with what my hon. Friend has said. I confirm that I saw a poll yesterday which declared that 62 per cent. of London parents said that they were not at all concerned about the abolition of ILEA. When it came to the inner London parents, 49 per cent. said that they were not concerned.

Mr. Andrew F. Bennett: To help the debate, what can the Secretary of State tell us to allay the fears of all those who enjoy adult education within ILEA and take part in access courses? Will they be able to continue? Can he assure us that there will not be major problems with cross-borough transfers?

Mr. Baker: I have made it clear that we want to ensure that the good things being done by ILEA are retained. My hon. Friend the Under-Secretary of State in the other House will be referring to this is a speech which she will be making shortly.

Mr. Ashby: As someone who has been a governor of ILEA schools, who has served on the Inner London education authority for four years and seen at first hand the high cost of ILEA as against the poor responses and the bad education that children receive, may I ask my right hon. Friend to ensure that ILEA is abolished? The children of London will then have the opportunity to have a decent education.

Mr. Baker: I can assure my hon. Friend that his facts are right. ILEA accounts for some 4 per cent. of the school population of the country and 8 per cent. of the national school budget. It is a very extravagant spender. The new arrangements will ensure that money is better spent, to the benefit of the children of London.

English Teaching

11. **Mr. Tim Smith:** To ask the Secretary of State for Education and Science what further proposals he has to improve the teaching of English in schools, in the light of the responses received to the Kingman report.

12. **Mr. Harry Greenway:** To ask the Secretary of State for Education and Science what further action he proposes to take in the light of the responses received to the Kingman report, on the teaching of English in schools; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend has asked the new English working group to take account of relevant Kingman report recommendations in its work on attainment targets and programmes of study for English as a whole. He will consider the other Kingman recommendations in due course in the light of public reaction and the English working group's advice.

Mr. Smith: Does my hon. Friend agree that the traditional method of teaching English in schools, with its emphasis on grammar, on construction and on spelling, has many virtues? Will she ensure that, as far as possible, these basic elements are retained as part of the national curriculum?

Mrs. Rumbold: I can assure my hon. Friend that we are asking the English working group to recommend attainment targets covering the grammatical structure of the English language, building on the Kingman targets.

Mr. Greenway: Does my hon. Friend agree that children develop their imagination and skill in writing from having freedom to write without too much grammatical constraint, but will she bear in mind that the English language has its cement in its grammar and that that is English language at its greatest and its best? Will she ensure that grammar teaching is preserved?

Mrs. Rumbold: We are most anxious that the English working group should build on the recommendations of the Kingman report and look at the structure of grammar. We certainly expect our children to be able to read, write and speak English, and to enjoy literature.

Mr. Hardy: Does the Minister not accept that the curbing of expenditure on books for schools and public libraries over recent years has scarcely assisted attainments in both the teaching of English and reading? Does he not accept that during the previous period substantial attainments were made?

Mrs. Rumbold: I always accept that there has been progress in teaching in our schools, because, of course, there has. However, there have been considerable advances during the past two years in the amounts of money that have been allocated for schools, especially for books. Indeed, there has been an 8 per cent. increase in the allocation for books and equipment in the current year.

Mr. Sackville: Does my hon. Friend agree that parents expect—*[Interruption.]*

Mr. Speaker: Order. Private conversations should cease while we are on questions.

Mr. Sackville: Does my hon. Friend agree that parents expect their children to acquire at least the basic skills at school, of which the use of English must be one of the most important? Does she agree that an alarming difference has grown up between the teaching profession on the one hand, and parents and employers on the other as to what exactly constitutes education?

Mrs. Rumbold: My hon. Friend will be reassured by the fact that for our core subjects in the national curriculum we have chosen English, mathematics and science. It is perfectly true that many employers have complained that some of the children leaving school do not have the

adequate literacy and numeracy that they believe necessary. That is the reason for the introduction of the national curriculum.

Provision Quality

13. **Mr. Allen McKay:** To ask the Secretary of State for Education and Science when he expects to publish the annual report of Her Majesty's inspectors on the quality of provision in schools.

Mrs. Rumbold: My right hon. Friend hopes to publish the report for the 1987-88 academic year next January.

Mr. McKay: As previous reports from Her Majesty's inspectors have spelt out the truth about the Government's neglect of our education system, will the Minister ask her right hon. Friend to ensure that the report receives maximum promotion and publicity, as do his reports and statements from the Department of Education and Science?

Mrs. Rumbold: As I have just said, my right hon. Friend will publish the report. I remind the hon. Gentleman that the last expenditure report from Her Majesty's inspectors showed that in just over half the schools visited there was a need for improved teaching styles, better perception of pupils' needs and higher expectations of pupils. The report stated:

"unsatisfactory standards of provision are more often related to ineffective deployment of people and resources than to shortages of the resources".

Mr. Ian Bruce: When the report is published, will my hon. Friend comment that it is clear that the amount of money that is spent per pupil varies widely throughout local authority areas and that, unfortunately, we do not get quality for pounds spent in many of those areas, especially in ILEA? Will she highlight the fact that areas such as Dorset, which spend far less per pupil, get a better quality of education for the money spent?

Mrs. Rumbold: I thank my hon. Friend for that question. Reports by Her Majesty's inspectors take an overall look at what happens in all our schools. While they take into account expenditure, they also take into account the quality of the education that is delivered. That is easily identifiable and will be recognised in the report.

Mr. Cryer: Following the disgraceful attack by the Secretary of State on the right hon. Member for Old Bexley and Sidcup (Mr. Heath), I draw the Minister's attention to the fact that the inspectors will be concerned about the standard of buildings in constituencies such as mine of Bradford, South, where the Government are neglecting the construction of the schools. Many schools in my constituency exist almost entirely in temporary classrooms. When will the Government make adequate provision in cities such as Bradford, with expanding school rolls, for which they are not now providing sufficient money?

Mrs. Rumbold: In the local government elections in the hon. Gentleman's constituency the Labour party lost control, so clearly there cannot necessarily have been such wonderful expenditure on buildings there. The public expenditure plans for this year contain considerable increases, as I have said earlier, for additional building work.

Education Authorities

14. **Mr. Barry Field:** To ask the Secretary of State for Education and Science how many education authorities have a primary, and middle and high school system.

Mr. Dunn: In January 1987 there were 44 local education authorities in England operating a three-tier primary, middle and secondary school system.

Mr. Field: Can my hon. Friend confirm that the three-tier system is every bit as good as the two-tier system?

Mr. Dunn: I have no evidence to the contrary.

PRIME MINISTER

Engagements

Q1. **Mr. Jacques Arnold:** To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty The Queen.

Mr. Arnold: Has my right hon. Friend noted the widespread public support for our education reforms? Has she further noted the Gallup poll results in yesterday's *Daily Telegraph*, which noted that two out of three Londoners would not be worried by the loss of ILEA and that three out of four of them support the national curriculum, testing and parent power to opt out of local authority control?

The Prime Minister: Yes. My hon. Friend makes his point very effectively. I believe that most parents want the chance to opt out, to get their children out of the grip of some of the fanatical Left-wing authorities. I believe that the reforms to which my hon. Friend refers will lead to much better education. That is why the Labour party is fighting them, but parents will be very pleased with them.

Mr. Kinnock: May I warmly welcome today's cut in interest rates and the Chancellor's victory over the Prime Minister? Does this cut mean that the Prime Minister has changed her position and now wholeheartedly agrees with the Chancellor that further rises in the pound would be unsustainable and would damage British business and industry?

The Prime Minister: I am glad that the right hon. Gentleman welcomes the cut in interest rates. He will note that we have taken interest rates down three times in the last two months. I am sure that he would like a detailed reply.

My right hon. Friend and I entirely agree—[HON. MEMBERS: "Reading."]

Mr. Kinnock: We want to listen.

The Prime Minister: I thank the right hon. Gentleman very much. I hope that he will listen to the next reply too. My right hon. Friend and I entirely agree that we must maintain a firm monetary policy and a downward pull on

inflation. I agree completely with all my right hon. Friend's Budget speech, every bit of it, which is more than the right hon. Gentleman the Leader of the Opposition does.

The right hon. Gentleman asked about exchange rate policy. It is a part of overall economic policy. As I indicated a moment ago, he will note that we have taken interest rates down three times in the last two months. That was clearly intended to affect the exchange rate. We use the available levers, both interest rates and intervention, as seems right in the circumstances and—*[Interruption.]*—I hope that right hon. and hon. Gentlemen will listen very carefully to the last sentence—it would be a great mistake for any speculator to think at any time that sterling was a one-way bet.

Mr. Kinnock: I am, and I am sure everybody else is, interested to hear the Prime Minister draw attention to the three cuts in interest rates in the past two months. Two months ago I asked her whether she would intervene or use interest rates to bring down the pound and she said that intervention "would lead to inflation" and interest rate action could not deal with the matter because it would not be in the "interests of inflation" to do so. Is she now saying—*[Interruption.]*

Mr. Speaker: Order. These are important matters.

Mr. Kinnock *rose—[Interruption.]*

Mr. Speaker: Order. The whole House wants to hear the question.

Mr. Kinnock: This is of general interest. Is the Prime Minister now saying that she was wrong about the inflationary implications of interest rate reductions?

The Prime Minister: I do not think that the right hon. Gentleman is entirely the master of his subject. *[Interruption.]* I gave the right hon. Gentleman the same reply when I was asked the same question on either the last or the previous occasion when the interest rate was taken down $\frac{1}{2}$ per cent. The reply was this: As the value of sterling has risen, that is the exchange rate has risen, that has tightened money supply, which enables us to reduce the interest rate without having any adverse effect on inflation.

Mr. Kinnock: Between the Prime Minister and the Chancellor of the Exchequer we at least know who the master is at present. Did the Prime Minister's last answer imply that if the pound rises above DM 3·18, which is where it is now, the Government will use interest rates again?

The Prime Minister: Anyone who is asking to know precisely what will happen is the friend of the speculator and aiding and abetting him.

Sir William Clark: Does my right hon. Friend agree that today's reduction in the base rate, and the two previous ones, give the lie to media and Opposition Members' accusations and hysteria to the effect that there is a rift between herself and the Chancellor of the Exchequer in the management of the economy? Does she agree that managing a successful economy, which is the envy of the whole world, means the control not only of inflation and public expenditure and a sound fiscal policy, but of the exchange rate? Does not today's reduction prove beyond peradventure that there is complete and utter unanimity in the management of our economy under the capable management of the Chancellor?

The Prime Minister: Yes.

Mr. Steel: Will the Prime Minister clarify the Government's policy towards the exchange rate mechanism of the European monetary system? Is it still that we will join when the conditions are right? As that has been the position for the last eight years and the pound has varied against the deutschmark from DM 4·79 to DM 2·86, how have the conditions never been right?

The Prime Minister: It has been a very consistent position. We shall join when the conditions are right. It remains a consistent position.

Q2. **Sir Hugh Rossi:** To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Sir Hugh Rossi: Does my right hon. Friend agree that the decision to withdraw from Afghanistan may well represent the high-tide mark in Russian expansionism and that it augurs well for glasnost and future peace between East and West? Does she further agree that the world is indebted to the Afghan people for their courage, tenacity and suffering, which has brought this about?

The Prime Minister: Yes, I agree with my hon. Friend. We welcome the Russian withdrawal from Afghanistan, which has now begun to take place. We also believe that it was due to the tenacious fighting by the Afghan people against the occupation, with the support of many people throughout the world. We believe that it will improve East-West relations and hope that it will be followed by other withdrawals, for example, by Cuban troops from Angola and by Vietnamese troops from Cambodia.

Mr. Robert Sheldon: Is it not clear that the difference between the Prime Minister and the Chancellor of the Exchequer is simply that the Chancellor of the Exchequer learnt about the problems of the DM 2·40 pound and the way in which it damaged so much of our manufacturing and other industries, and the Prime Minister did not? Will she learn that it is unwise to quarrel with the Chancellor of the Exchequer, but it is extremely foolish to do so in public?

The Prime Minister: I wish that right hon. and hon. Gentlemen on the Opposition Benches could go further and say that they totally endorse the Chancellor's policy, they totally endorse his Budget and they agree with the reductions in tax, instead of trying to take away in increased taxation from the nurses and the doctors some of their increases in wages. That is what the Labour party wants.

Mr. Patrick McNair-Wilson: Does my right hon. Friend recall that 10 years ago, in the last year of the Labour Government, we had a combination of a weak pound, rampant inflation and goods pouring in from countries with strong currencies, such as Germany and Japan? Does she agree that, in industry's interests, as one of the component factors that it has to take into account is raw material prices, a buoyant currency is an essential concomitant of a successful economy?

The Prime Minister: I hear what my hon. Friend says, and I well remember the way in which the economy was handled by right hon. and hon. Gentlemen on the Labour Benches. The reserves of this country dropped to only $4 billion and no one in the world would lend us a dollar or a penny piece. The reserves now are $48 billion because of the way in which the economy is run by the Chancellor.

Q3. **Mr. Bidwell:** To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Bidwell: In view of the right hon. Lady's recently published list of achievements, would it be her intention to add to it the widening gap between the rich and the poor, which is occurring throughout the nation?

The Prime Minister: Everyone in the nation has benefited from the increased prosperity—everyone. The amount spent on social security is well up. The fact is that Labour Members would rather have the poor worse off, provided that those who create the wealth did not earn so much. It is because we have encouraged those who are enterprising that we now have increased wealth to give in greater amounts to the Health Service and social security.

Mr. Beaumont-Dark: Will my right hon. Friend accept that her total endorsement of the Chancellor of the Exchequer's policy is a great comfort to her friends, as it is an annoyance to her enemies?

The Prime Minister: I endorse once again my right hon. Friend the Chancellor's most excellent policy. I hope that my hon. Friend who has asked the question will never cease to extol the virtues of a successful economy, which has been built up over the past nine years.

Mr. Healey: Was there not a contradiction in the remarks that the right hon. Lady made earlier in Question Time? As I understood it, she said she had agreed that the Chancellor should cut interest rates to bring down the value of the pound, and that that was the appropriate level for bucking the market at this time. But a moment later she said she had agreed earlier to cut interest rates because the high pound made it safe to do so without damaging the control of the money supply.

The cut in interest rates this morning has already led to a big fall in the pound. Does that mean that the right hon. Lady will now insist on an increase in interest rates in order to tighten the money supply, or is she not entirely the mistress of her subject or of the Chancellor?

The Prime Minister: If we were going to take lessons we would take them from someone who was the master of his subject and not from the right hon. Gentleman, who reduced this country's reserves to their lowest level ever. No one would lend him a penny piece. I do not wonder why.

Q4. **Mr. Cartwright:** To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Cartwright: As the right hon. Lady reminded her supporters yesterday of her manifesto's commitments, will she assure the House that she will honour the manifesto commitment that child benefit would continue to be paid as now, and that there is no truth in press suggestions that child benefit is to be cut, taxed, frozen or abolished?

The Prime Minister: I agree with the hon. Gentleman that the manifesto clearly stated:

"Child benefit will continue to be paid as now, and direct to the mother."

That commitment will be honoured.

Embankment Station (Fire)

3.30 pm

Mr. Tony Lloyd (Stretford): On a point of order, Mr. Speaker. You will be aware that there was a fire this morning at Embankment Underground station. Given the sensitivity of the matter and the proximity to the King's Cross inquiry, would it be in order for the Secretary of State for Transport to make a statement in the House today on this important matter?

Mr. Speaker: I have had no request for that.

Associated British Ports (No. 2) Bill

3.31 pm

Mr. Kevin Barron (Rother Valley): On a point of order, Mr. Speaker. You will recall that last week the House attempted to give a Second Reading to a private Member's Bill—the Associated British Ports (No. 2) Bill. During that debate I asked the Minister for Public Transport whether the rumour that there had been a meeting between a member of his ministerial office and the promoter of the Bill was true. He said, as reported at column 397 of the *Official Report*, that, to his knowledge, there had been no such meeting.

It has come to light from a written parliamentary answer that I received last night that the Secretary of State for Transport had met the promoter of the Bill, the chairman of Associated British Ports, in February this year, at a time when many hon. Members had put a blocking motion on the Bill and were waiting to debate it. As the Minister for Public Transport promoted the Bill and asked us to support it last Wednesday, would it be in order for you to clarify the position about the meeting of the chairman of Associated British Ports and the Secretary of State? Is it right that such a meeting should take place when the House has yet to consider a private Bill? Is that private business, or is it another way of getting Government business through the back door?

Mr. Speaker: I have no knowledge of meetings outside the House. I have seen the answer to that question and I think the whole House will agree that it is highly commendable for any Minister or Back Bencher who inadvertently says something to the House that turns out subsequently to be untrue to put it right, and the Minister for Public Transport has done that.

Mr. Dennis Skinner (Bolsover): Further to the point of order raised by my hon. Friend the Member for Rother Valley (Mr. Barron), Mr. Speaker, in which he pointed out to the House that the Minister had stated in his reply that he had met someone connected with the promoters of the Associated British Ports (No. 2) Bill, would it be in order, as it used to be, for the Minister concerned to make a personal statement, instead of dealing with the matter by a written answer?

Mr. Speaker: I think the whole House will agree that sometimes inadvertently things are stated in the House that turn out to be incorrect. I think that the Minister of State has taken the honourable and correct course in answering a question that was put down by the hon. Member for Rother Valley (Mr. Barron). I do not think that any point of order arises for me. I am not responsible for meetings that take place outside the House.

Oral Questions

3.33 pm

Mr. Harry Ewing (Falkirk, East): On a point of order, Mr. Speaker. In no sense do I question your selection of the hon. Members whom you call to ask questions, but would it be possible to explain the criteria on which you base that selection? I have tried kicking up a row to get called and I have tried behaving myself to get called. The hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) stormed out on Thursday last week in a temper and returned today only to be called immediately. Perhaps I should storm out now and come back to be called.

Mr. Speaker: Let me clarify the position. Bad behaviour certainly does not earn any good marks from the Chair. Today, we only—just—reached Question No. 4, and I seek to call hon. Members to put a question to the Prime Minister if they have not asked a question before.

BILL PRESENTED

ELECTRICITY (FINANCIAL PROVISIONS) (SCOTLAND)

Mr. Secretary Rifkind, supported by Mr. Ian Lang and Mr. Norman Lamont, presented (under Standing Order No. 48 (Procedure upon Bills whose main object is to create a charge upon the public reserve)) a Bill to raise the financial limit imposed by, and by virtue of, section 29(1) of the Electricity (Scotland) Act 1979: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. [Bill 169.]

Working Life (Reduction in Hours)

3.35 pm

Mr. Bruce Grocott (The Wrekin): I beg to move,

That leave be given to bring in a Bill to provide for a shorter working week, a shorter working year, earlier retirement and for connected purposes.

I introduce the Bill against an economic climate that shows a stark contrast. On the one hand, even on the Government's figures, over 2·5 million people are out of work, although we all know that the real figure is much higher. On the other hand, many people have to work excessively long hours, with shorter holiday entitlements than most of their European contemporaries and, in the case of men, having to work to age 65, whether or not they want to. That is why the main provisions of my Bill, which are in line with a long-standing TUC campaign and with European trade union objectives, are, first, to provide for a 35-hour week, secondly, to provide for six weeks' annual holiday, and, thirdly, to give men the choice to retire at age 60. All this would give enormous benefit both to those at work, by improving substantially their quality of life, and to those out of work, by providing the opportunity for the creation of new jobs to fill the vacancies that would result from my proposals.

Dealing first with the 35-hour basic week, at present the average for people in manual occupations is 39 hours a week before overtime, and the average for people in non-manual occupations is 37 hours a week. I can see no reason for a difference between manual and non-manual occupations. A year ago last January legislation was introduced in Norway to reduce the working week of people in manual occupations by two and a half hours to bring their hours into line with those of non-manual workers.

If we add overtime to the basic working week, the figures are worse. It might surprise the House to know that the average working week has increased since 1983 because of the greater tendency of employers, instead of taking on additional workers, to require more and more overtime. There are also great pressures for overtime from people on low wages. I look for a substantial reduction in overtime. I tell my friends in the trade union movement that where they find large amounts of overtime being worked they should start negotiating a reduction in working hours and the employment of more people.

I have chosen a 35-hour week because it opens the exciting prospect of trade unionists being able to negotiate a four-day week for their members. This is happening in limited cases at present. Many people, given the choice of a five-day week of seven hours a day or a four-day week of nine hours or thereabouts a day, would opt for a four-day week. It would make great sense in terms of travel expenses and the wear and tear of commuting. It would lead to a substantial improvement in quality of life for many of our fellow citizens.

The second provision in the Bill is for six weeks' annual holiday. Most German workers get six weeks' annual leave, but in this country the norm is 22 days for people in manual occupations, which is just over four weeks. In recent years there have been moves in the annual pay round to improve holiday entitlements, but the very minimum that we should require is six weeks' holiday entitlement. This is strongly in line with what happens in many European countries and with the TUC campaign.

No doubt we will be told by employers that they cannot afford to grant such leave but, of course, they have said that in response to every improvement in people's working conditions, ever since we stopped sending children up chimneys. They said exactly the same thing when it was suggested that there should be equal pay for men and women. It is a simple statistical fact that an additional week's annual holiday would add no more than 2 per cent. to the annual wages bill of a company, and it is well within the capacity of most companies to meet that. Six weeks' holiday is a perfectly reasonable request.

Finally, I should like to deal with the matter of earlier retirement. My proposal is that men who want to do so should be allowed to retire at 60. We know that 676,000 men between the ages of 60 and 65 are at work. We also know, from repeated Treasury estimates, that it would cost £3 billion to achieve this reduction in the retirement age. I do not know how that calculation can be substantiated, when we realise that many of the vacancies created by those who would be offered a pension would be filled by people in the dole queue, with dependent relatives. Many people have written to me to say that they are 60 years of age and have already worked for 45 years in a heavy manual occupation. They say, "I think that that is long enough for anyone." I think so too. We should adopt the common sense approach and give early retirement to men who want it, because the vacancies thus created could be filled by people in the dole queue.

My Bill contains the enigmatic phrase, "and for connected purposes." I see this merely as a start. There are many other things in the best practice of good employers that we should seek to introduce. Increasingly, sabbatical years are being offered to workers in mid life, but that is much more in evidence abroad than it is here. I commend that practice. There is also increasing evidence that employers are having the sense to prepare people for retirement by putting them on a four-day week during the six months prior to retirement. That is another example of best practice which I strongly commend.

There is much humbug about the dignity of work and about the desirability of more people working longer hours. I have long been of the opinion that if work were such a splendid thing the rich would have kept more of it for themselves. The Bill offers the prospect of substantial improvement in the quality of life of many of our fellow citizens and the substantial possibility of creating jobs for those in the dole queues who are currently searching for work. It is an enlightened Bill and I hope that it is far-sighted. I commend it to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. Bruce Grocott, Mr. Harry Cohen, Mr. Ron Davies, Mr. Don Dixon, Mr. John Garrett, Mr. Sean Hughes, Mr. James Lamond, Miss Joan Lestor, Mr. George Robertson, Mr. Jeff Rooker, Mr. Ernie Ross and Mr. Dennis Skinner.

Working Life (Reduction in Hours) Bill

Mr. Bruce Grocott accordingly presented a Bill to provide for a shorter working week, a shorter working year, earlier retirement and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 8 July and to be printed. [Bill 167].

Orders of the Day

British Steel Bill

As amended (in the Standing Committee), considered.

New clause 1

SINGLE ENTITY

'Before the appointed day the Secretary of State shall lay before Parliament a report giving quantitative estimates of the advantages and disadvantages to the Exchequer, to the Corporation, to the customers and the employees of the whole and of the several parts of the Corporation, of the disposal of the successor company and its subsidiaries as a single entity or as more than one entity.'.—*[Dr. Bray.]*

Brought up, and read the First time.

3.45 pm

Dr. Jeremy Bray (Motherwell, South): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to take the following amendments: No. 31, in clause 1, page 1, line 10, after 'section', insert '1(5A) and section'.

No. 32, in clause 1, page 2, line 11, at end insert—

'(5A) On the appointed day the stake held by the Corporation in Allied Steel and Wire shall not be vested in the successor company but shall be vested in an employees' trust fund to be held for the benefit of the employees of Allied Steel and Wire.'.

Dr. Bray: The Bill comes back from Committee very much as it went in, with the Committee able to inform the House of little more about the plans of either the Government or of the British Steel Corporation for privatising the industry. However, if the industry is to be privatised, its future shape, size, efficiency and behaviour will be very much influenced by the form in which it is privatised.

The Government have gone to great lengths in other privatisations, notably of the electricity supply industry, which is the most obvious of natural monopolies, to break up an industry so that it embodies in its future structure a degree of competition. However, when the steel industry was last in private hands and consisted of 14 separate companies, it needed an act of nationalisation to create a rational structure of a single entity.

The behaviour of a private enterprise is, of course, guided principally by the purpose of maximising its worth to shareholders. The company is able to exploit every bit of market power that it can, within the law of the land. Indeed, it is expected to do so. It is by the Government ensuring that the rules of competition are made and observed that the profit-seeking behaviour of the company in the market place becomes such that the health of the whole community is maximised. The Government argue that with the wealth go employment and people's incomes, and I do not disagree with them on that. Those are the Government's principles and their rules.

The Government are now proposing to privatise the British Steel Corporation as a monopoly within the meaning of the Act. The Fair Trading Act 1973, in section 6(1) states:

"For the purposes of this Act a monopoly situation shall be taken to exist in relation to the supply of goods of any description in the following cases, that is to say, if . . .

(b) at least one-quarter of all the goods of that description which are supplied in the United Kingdom are supplied by members of one and the same group of interconnected bodies corporate".

Furthermore, the chairman of the British Steel Corporation is on record as favouring "peak lopping", that is, restricting capacity so that, at the peaks in the cycle, customers are forced to go abroad and the amplitude of the cycle is made yet greater for other suppliers, with the expectation that, when demand falls, the customers will come back. It is nice if one can do it, but it is a recipe for losing market share and for ensuring the continuing decline of capacity and output, because other suppliers will become established in the market and the customers who have deliberately been turned away will not come back. The British Steel Corporation should have learnt that lesson in 1980-81, but it does not appear to have done so.

Likewise, the chairman of the British Steel Corporation advocates spheres of influence within Europe to reduce the amount of steel crossing borders. Those monopolistic tendencies are inherent in the nature of the industry. There is already a case before the European Commission about the alleged restrictive practices of the steel industry in special steels. While steel is in the public sector, the industry is constrained in many ways. For example, there has been formidable competition between works simply to survive because the Government have prevented BSC from closing any major works so long as they have remained competitive. That was the clear policy of the Conservative Government in 1982 and 1985.

The chairman and customers may speak to Ministers and officials about competition from Europe, which is very important on the demand side. However, it is a fact of life in the works that it is not just the demand side that matters. That may affect the price, but the level of resources required to produce a tonne of steel are conditioned by the absolutely formidable competition between works in recent years simply to survive and to maintain that viability and profitability which, within the understanding and terms of reference given by the Government, it has been necessary to maintain to continue the Government's commitment. That balance between ensuring competition within the industry and maintaining its basic capacity intact and developing it has been highly successful and has produced what is now the most profitable industry in Europe. However, it is threatened by the complete change of regime that the Government are deliberately bringing about.

An example of competition between works working with formidable and, to many of my colleagues questionable, efficiency was shown during the miners' strike. With the support of the unions locally, inside and outside the steel industry, and with the collaboration of local leaders of the National Union of Mineworkers, it was understood that it was essential to keep ore and coal supplies going to the steel works. If supplies had been interrupted the steel works would have closed, perhaps for ever, because of the loss of the blast furnaces. Neither Ministers nor the top management of the British Steel Corporation had any part in the negotiations. Often they simply did not know what was going on. Indeed, the top management of BSC at Ravenscraig did its best to sabotage the agreement between the unions that kept the works going.

Another example of the way in which the monopolistic tendencies operate can be found in BSC's attitude towards technological innovation. The BSC has made good use of short-term process improvements of a kind which during my days at ICI we used to call "process investigation work". However, the corporation is cool to the point of hostility to major technological advance. It is a rough, tough industry and the Government are handing over to it a degree of monopoly power which in the past steel tycoons would have found quite unimaginable. The whole commodity steel capacity of this country is to be handed over to a single private company.

On 4 May in Committee I moved a new clause allowing the Secretary of State for Trade and Industry to privatise a part of BSC separately from the rest. The proposal came from people with a great deal of experience of the steel industry. A former works director at Ravenscraig put the suggestion to me in its most logically developed form. Motherwell district council had the proposal examined by the largest consulting firm in Scotland, and the accountants who worked on it were former BSC accountants.

In reply to the examination made in the report initiated by Motherwell district council, the Government have offered only debating points. They have offered no detailed examination of or justification for alternative structures for the industry, including the single entity. The Government have not even been able to produce evidence that they ever seriously considered any alternative structure for the industry. Instead, they have been hiding in the most extraordinary way behind the skirts of Welsh trade unionists. That is not an entirely honourable course for Ministers to take. There is an understandable sentiment in Shotton and in south Wales about the future structure of the industry, but we are concerned with the survival of jobs in Scotland, not about the sentiment and trading relationships between particular works. Any Government worth their salt and taking a decent, economic and, in the last resort, human view of the position would not be swayed by inevitably short-term sentiments in an untried situation.

The Ravenscraig, Shotton and Dalzell proposal, by which Ravenscraig would be associated with the plants that it principally supplies as a separate trading entity, is not a solution that the Opposition would prefer. We would prefer the industry to remain in public hands. We would prefer the industry to continue operating and developing as efficiently as it has done up to the present. However, if the Government are to privatise the industry, to do so in the manner that they propose would subject neither the public interest nor the interest of Ravenscraig itself to a fair test of the market, which is a concept that Ministers espouse.

The decision to privatise it is also an extraordinary demonstration of Ministers' political and economic short-sightedness. The birds will come home to roost on this issue well within the lifetime of this Parliament. Indeed, it is likely that in the course of the next year the British Steel Corporation will announce the intended closure of the hot mill at Ravenscraig. At present, BSC needs all its liquid steel capacity. In my last discussion with the chairman of the British Steel Corporation, in the company of my hon. Friend, I heard him say so himself. However, he made it clear that his comments related to liquid steel capacity. It was clear also that he understood that we understood that the need for capacity did not relate to the mill. Indeed, the announcement by the Chancellor of the Duchy of Lancaster refers specifically to the fact that there is no expectation or likelihood of the hot mill at Ravenscraig remaining open beyond 1989.

The closure of the hot mill at Ravenscraig would seal the long-term future of the works, as it would reduce it to the position of being just a slab supplier. Also, any steel works has a limited life without the replacement and modernisation of coke ovens and the relining of blast furnaces, which wear out rapidly with time. Also needed is the modernisation of the mill control systems, finishing processes, and so on, which are necessary to maintain the competitiveness of the product compared with that available from other mills which have been modernised.

The most important current development in the area in which Ravenscraig is engaged is probably thin slab casting, but BSC is not proposing to install that process anywhere in the corporation. The new plant for continuous thin slab casting being installed in the United States has no parallel in this country. The reason is that BSC has cut back its own research and development by 40 per cent. in real terms since 1979. Although it is investigating new processes in a small way with heavy percentage grants from the European Steel Community, simply to keep employed the experts it has to maintain in different sections of steel processing, it has no serious expectation that its modest investment in research into new processes will lead to fresh investment.

The much-quoted remark made by Sir Robert Scholey,

"I don't need an"

effing—

"physicist to tell me how to run a steel mill"—

Mr. Austin Mitchell (Great Grimsby): Call for Sir William Rees-Mogg.

Dr. Bray: I am sure that I was not as explicit as my hon. Friend would be. However, that remark, much quoted within the British Steel Corporation, set the attitude for too much of BSC's management. It was echoed to me by Shotton shop stewards when I was discussing the possible developments there. Indeed, I hope that Sir Robert does not need a physicist to run any of his existing steel mills, but one certainly needs a physicist to design a sensible plant to replace one's present mills. That kind of person is not being recruited today. Of the 40 new graduates that BSC recruited into its research department last year, only two had first-class honours degrees of any kind—only two out of 40, for the whole of the commodity steel industry in this country. In those circumstances, there is no way in which an industry cultivating the kind of technological image which the British steel industry needs can remain technologically competitive.

Looking at the kind of competition that the Ravenscraig, Shotton and Dalzell group constitutes, there would be a strong incentive to develop the new materials and processes which would keep it technologically competitive. A competitive situation would be created which would not exist in the steel industry in the form proposed by the Government.

The Arthur Young report shows that, for a wide range of demand variations in the future, it would pay BSC progressively to close Ravenscraig; not to close it next year or the year after, but progressively to close it as new plant is rounded off elsewhere in the corporation and old plant fails to be modernised at Ravenscraig.

[Dr. Bray]

The Arthur Young report also shows that, even with the continued competitive pressures created by the formation of the Ravenscraig-Shotton-Dalzell group, its setting up would reduce BSC's profits, income and output, at least for a few years. That is why BSC is flatly opposed to the hiving off of the Ravenscraig-Shotton-Dalzell group.

The arguments are spelt out in detail in the Arthur Young report. They show that it is necessary to maintain the present pressures for competitive improvement for the extra capacity that would be achieved by keeping Ravenscraig operating, to build up the total profits, income and output from present BSC plants to as high a level, with Ravenscraig continuing to operate, as BSC would be able to achieve by the lazy man's way of simply closing Ravenscraig.

The short-term results of closing Ravenscraig would be a short-term improvement in BSC's profits, but with an immediate reduction of national income and national output and, within a short time, a reduction of total national profits from the present assets. It is a classic demonstration of the abuse of monopoly power.

If Ministers are not prepared to look more seriously at the Ravenscraig-Shotton-Dalzell proposals, it must be because they have been advised that BSC is only marginally viable and believe that it would be gravely threatened by the loss of profits from the Ravenscraig-Shotton-Dalzell group. The Arthur Young report looked at that, and my best advice is that that is not the case. The rest of BSC, just as the Ravenscraig-Shotton-Dalzell group, would be fully commercially viable. In all likelihood both parts of the corporation would develop further links.

BSC has already made it clear that it would look to European links, and no doubt Ravenscraig-Shotton-Dalzell would do likewise. It must be clear to Ministers that it simply is not possible to explore such a link without at least the Government's assent. It must also be clear to Ministers that their opposition effectively blocks any serious consideration of any international linkage for the parts of BSC that they are separating.

In response to the new clause that I moved in Committee, Ministers said that the Bill already allows them to sell the Ravenscraig-Shotton-Dalzell group separately, and I accept that that is so. There is nothing in the Bill, and there is nothing in the powers that the Secretary of State will have over the successor company, to prevent the Government's implementing the course proposed in the Arthur Young report—the setting up of a separate Ravenscraig-Shotton-Dalzell group. In new clause 1 we are asking Ministers properly to quantify the alternative option for the structure of the industry. They have not done that. I doubt whether they have done it for themselves. They have certainly not done it for the market place or for the House. It simply is not true that the new clause prejudices the commercial interests of BSC. It does in the narrow sense that BSC's profits would be less if Ravenscraig, Shotton and Dalzell were separately privatised. The Chancellor does not need his advisers to tell him that. He can work that out for himself. But that is not the commercial interest about which the Chancellor of the Duchy of Lancaster should be concerned. The commercial interest about which he should be concerned is the overall profits, output and income generated for Britain. It is those factors that he has in no way put before the House.

The viability of alternative options is not just a matter for study. Without financial backers prepared to go through with the deal, all the studies in the world would mean nothing. No financial backers can emerge if they are faced with Ministers' political hostility and statements in the House that the Government's intention is to privatise BSC as a single entity, with Ministers concealing the evidence on which any serious alternative proposal, which goes beyond the scope of the Arthur Young report, could be put forward.

I and my hon. Friends are not in the political point-scoring game. We recognise that the proposal that we put forward here is not an easy one for the Opposition. It is a marvellous opportunity to give Scotland a chance to help itself, to demonstrate its enterprise culture, but instead of that the Government are just giving Scotland a slap in the face.

If Ministers do not follow their own principles and give Ravenscraig a chance, I warn them, and the Prime Minister, in the words of Adam Smith—whom the right hon. Lady quoted in Perth last weekend—in his book "The Theory of Moral Sentiments", which preceded and laid the foundations of "The Wealth of Nations", where he said:

> "We do not originally approve or condemn particular actions, because they appear to be agreeable or inconsistent with a general rule. The general rule on the contrary is formed by finding from experience, that all actions of a certain kind are approved or disapproved of . . . it is chiefly from this regard to the sentiments of mankind that we pursue riches and avoid poverty. For to what purpose is all the toil and bustle of this world? What is the end of avarice and ambition, of the pursuit of wealth, of power and pre-eminence? In the race for wealth, and honours and preferments . . . [a man] may run as hard as he can, and strain every nerve and every muscle, in order to outstrip all his competitors. But if he should jostle or throw down any of them, the indulgence of the spectators is entirely at an end. It is a violation of fair play, which they cannot admit of."

It is that violation that the Government are committing today in relation to Scotland's steel industry. It is not BSC or Bob Scholey who will face the reaction when Ravenscraig is closed. They will merely be playing to the rules set by the Government. It is Ministers and the Tory party who will be seen to have cheated by their own lights and to have closed down Scotland's largest and fully competitive industrial unit.

My Scottish colleagues and I are simply concerned with some 10,000 jobs in our constituencies. We shall fight all the way to preserve them. But we are also concerned with the survival of a substantial piece of viable industrial capital which, with a deteriorating balance of payments, Britain will continue to need.

We ask the Minister to think again, or at least to keep an open mind.

Mr. Bryan Gould (Dagenham): Opposition Members welcome the terms in which my hon. Friend the Member for Motherwell, South (Dr. Bray) has moved his new clause. All those who heard him speak during the Second Reading debate and, more particularly, in Committee will understand the depth of his expertise on and commitment to the future of the Scottish steel industry. We share his concern about the future of that industry, and in particular that of the Ravenscraig plant. We take on board the conclusions of the study that was commissioned by Motherwell district council, to which my hon. Friend

referred. That study was carried out by Arthur Young, accountants. It concluded that 11,000 jobs would be at stake if Ravenscraig were to close, and that, of course, the immense contribution that Ravenscraig makes to the Scottish economy would also be lost. We are entitled to be concerned because of the political history of the issue.

We know that the Government have made earlier unavailing efforts to close Ravenscraig. We know that, on those occasions, their political nerve failed them, that leading members of the Cabinet threatened resignation if that step were taken, and that, faced with that pressure, the Government backed down. We conclude also that the Government remain, if not committed to, at least persuaded of, that course and that there is still in the Government's mind the possibility—indeed, the likelihood—that, in the interests of a privatised British steel industry, Ravenscraig might be closed.

Of course, in the present situation, our concern is greatly intensified. Throughout the debates on the privatisation of this great industry, it has been perfectly clear that one of the Government's overriding considerations has been to get the best possible price for the industry. It has been quite clear that the industry should be made to look as attractive as possible to potential private investors. For that reason, great emphasis has been placed on British Steel's admittedly short track record of profitability.

Most commentators agree that the price that will be obtained will largely be a function of the level of profitability, either current or expected. Most people believe that profits will have to be about 20 per cent. of the capital price paid. Any factor that either pushes up or pushes down the likely level of profitability becomes of intense interest to the Government, as it is quite clear that it will strongly influence market sentiment in terms of what the market is prepared to offer to British Steel.

The interesting aspect of the Arthur Young report is its conclusion that a privatised British Steel that decides to close Ravenscraig—although doing great damage to the overall viability of the British steel industry and to the national economic interest—and getting rid of a substantial body of costs could nevertheless increase profits by up to £100 million a year. Interestingly, to my knowledge, whenever that point is raised—it was frequently raised in Committee—no Conservative Member contested it.

If the closure of Ravenscraig will produce an improvement of £100 million—at least in the short and accounting term in which the markets are likely to judge these matters—it becomes a matter of great interest to the Government. It might lead them to the conclusion that it will mean a £500 million increase in the price for which they might sell British Steel.

Those are the reasons that we fear that the Government have it in mind to sell British Steel, not only in its present monopoly form but with the right to close Ravenscraig. In other words, they cannot afford to sell British Steel if Ravenscraig and perhaps other parts of the corporation have already been divested and already exist and are able to trade independently. Quite clearly, that would substantially reduce the market value of British Steel. They are selling the right to close Ravenscraig.

That suits the Government from two viewpoints. First, as I have suggested, it might lead them to hope for a much better price on strictly commercial grounds. Secondly, it enables them also to argue that the political objective of which they have long been advocates—that is, the political objective of closing Ravenscraig, without the political odium that would normally go with that—could be achieved by shuffling off the responsibility and placing it in the hands of private owners.

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): It seems that the hon. Gentleman is walking around the periphery of the amendment and touching on various aspects of the Arthur Young report without coming to the point. I am interested to see where he is going. The point of the amendment is to press the case for British Steel being privatised as a single entity or remaining in state hands as a single entity. The hon. Member for Dagenham (Mr. Gould) disagrees with me on the main point and would like to see the company remain state owned. Will he say whether the Opposition say that BSC should remain a single entity? Does he support the arguments of his hon. Friend the Member for Motherwell, South (Dr. Bray)? *[Interruption.]* Of course I say "single entity". Do Opposition Members support the hon. Member for Motherwell, South, who thinks that it should not be a monopoly, as he put it, but should be fragmented?

4.15 pm

Mr. Gould: I am flattered that the Chancellor could not contain his impatience and was unwilling to wait for my speech to unfold. I am somewhat disturbed—it may have been a slip of the tongue or an oversight—that he managed comprehensively to express the thrust, sense and meaning of my hon. Friend's new clause in exactly the wrong direction. My hon. Friend's new clause is designed to open the possibility of the corporation being sold other than as a single entity.

The Parliamentary Under-Secretary of State for Industry (Mr. Robert Atkins): That is what he said.

Mr. Gould: That is not what the Chancellor of the Duchy said. He may have intended to say that.

Of course we are extremely concerned about the Government's intentions, but having made the point in support of the real concern expressed by my hon. Friend the Member for Motherwell, South and other hon. Friends, particularly those representing Scottish interests, I invite the Chancellor's attention to the terms of my hon. Friend's new clause. It does not press the Government to do anything but lay before Parliament, before the relevant date, a report setting out the arguments for one course as opposed to another. That proposal is extremely moderate and restrained. Therefore, it is extremely difficult to see why, for any reason, the Government could oppose it. We shall listen with great interest. After all, the Government have the power of disposal in these matters. I hope that they will enlighten us about their attitude to the new clause. It is their view that matters.

I am sorry to say that I have just heard a sotto voce comment from Conservative Benches to the effect that the Government are opposed to it. That increases my puzzlement. On what grounds could they be opposed to it? It is a permissive measure. It commits the Government to nothing except a procedural step. It is a time-limited provision. In other words, once the relevant date has passed, the provision loses its force and cannot be revived by a successor Government.

[Mr. Gould]

It is hard to see why the Government should be so nervous about such a provision. It is almost as though they are startled, frightened and shying away from ghosts and shadows. I fully appreciate that the history of the Committee proceedings shows how frightened they are of ghosts.

Mr. Atkins: Shadows.

Mr. Gould: Exactly—shadow spokesmen, among others. It is extraordinary that the Government are not prepared simply to fulfil the limited obligation that would be imposed upon them by the new clause.

The Government are not prepared to accept the new clause, not because they are unwilling to go through this procedural step—they may be prepared to do so, although I am confident that so far they have not informed themselves on these matters—but because they are determined, according to their lights, not to give the wrong signals to the market. They are afraid that, if they accept the new clause and raise even the remotest glimmer of a possibility that the corporation will be divided into separate entities, it will affect its marketability. The Government are concerned, as they approach the market, to preserve the corporation's monopoly position. They do not want the slightest cloud of suspicion to sully that pristine position.

That is an extremely objectionable attitude for the Government to take. As the Chancellor of the Duchy of Lancaster and the Under-Secretary of State will confirm, we have written several times to ask for the evidence to which they have referred which has persuaded them that the corporation should be sold off as a single entity. We have been told that these are matters of commercial confidentiality. My hon. Friend the Member for Motherwell, South dealt more than adequately with that objection.

If the Government are not prepared—we think that they act on specious grounds—to tell us what advice they have received and from whom, and even if they say that they have little possibility of influencing these matters, they should give us some guidance as to their preferences on the shape that the industry should take under private ownership.

Mr. Michael Fallon (Darlington): I hope that, at some stage, the hon. Gentleman will say what shape he would like the industry to be in. Given his distrust of monopoly —which we accept—and the strong possibility that the legislation will be passed, does he favour a Scottish steel company competing against an English steel company?

Mr. Gould: The hon. Gentleman must accept that his right hon. Friends are responsible for the legislation. This is not our Bill. As we have said, if this monopoly is to be maintained, it is clear that, on this and other grounds, the right answer for the British steel industry is for it to remain in public ownership. Let us be clear about that. Any other question is hypothetical. *[Interruption.]* That may not suit the Government.

Dr. Bray: Perhaps we would come up with a firm answer if Ministers assured us that, if the Opposition voted in favour of the Ravenscraig-Shotton-Dalzell solution, they would accept it. If Ministers merely say that they will pursue this for political purposes, to muddy the waters, they will be treated in Scotland with the scorn that they deserve.

Mr. Gould: My hon. Friend points out that, having revealed informally that they are opposed to the new clause, Ministers are left with the difficulty of explaining how what is to all intents and purposes a monopoly should be handed over to private owners without any adequate protection against abuse of that monopoly power. Whenever we have raised this objection, in Committee and elsewhere, we have been left with the fatuous argument that British Steel is hardly to be regarded as a monopoly, since 40 per cent. of the domestic market is taken by imports. That certainly casts a novel light on the immense increase in import penetration under this Government across the board in manufactured goods.

We have always assumed that this might be something that the Government regretted and something that they recognised had a connection with the slumps in manufacturing output, manufacturing investment, manufacturing employment, our manufacturing trade deficit and the trade position generally. But not a bit of it; we now hear that the surging imports in steel and other industries are all part of a carefully structured strategy and that this is that very illusory creature—the Government's competition policy. We should be delighted to hear from the Chancellor of the Duchy of Lancaster, if he intervenes further in the debate, or from one of his ministerial colleagues, whether that is so.

Is 40 per cent. import penetration to be held up as an objective to be desired, supported and argued for on the ground that it imposes welcome competition on domestic suppliers? It is a fatuous argument because, even on British Steel's own terms, it is content to accept a monopoly in the parts of the market with which it is principally concerned and to leave it to the value of imports to make up supplies when and where there is a surge of demand which it is unwilling to meet.

We are left with a familiar situation. The language is that of liberalisation and competition and of subjecting, through the pressure of market forces, operations like this to all sorts of commercial pressures so that efficiency is improved. All that is a complete charade. It falls down because there is no liberalisation or competition and market forces are not suddenly being introduced. Indeed, the reverse applies. The purpose of this "privatisation", to give it its proper name, is carefully to preserve the monopoly in order to maximise the price which can be obtained for the industry.

We have seen this happen with British Telecom and many other privatisations. We are familiar with the gaping hole in the arguments. That does not stop us—perhaps optimism never quite dies—from looking in vain through the Bill for a sign that the Government are prepared to match, even with the smallest step, the rhetoric of their apparent commitment to liberalisation and competition.

Where is there in the Bill any measure to prevent a privatised steel company from abusing the monopoly power that it will be handed on a plate? What do the Government propose to do to prevent abuse of that power? Where is the "Ofsteel", an organisation like the one that the Government felt it necessary to introduce for British Telecom, in the form of Oftel? Where is the ombudsman, or some means by which steel consumers and

customers can be protected? Where are the mechanisms to inhibit the abuse and exploitation of the monopoly position?

Mr. Tim Devlin (Stockton, South): Is it not right that the mechanism to control the industry will exist in the form of foreign competition? Already parts of the project at Canary Wharf will be built and bought overseas. There is nothing in the Bill to prevent someone from buying steel from an outside producer.

Mr. Gould: I was under the illusion that the hon. Gentleman was present when I spoke on precisely that topic. Although he may have been here physically, I suspect that his mind had wandered elsewhere. I dealt at length—I felt extremely convincingly—with exactly that point. If the hon. Gentleman is advancing, yet again, the theory that a high level of foreign imports is the Government's competition policy and therefore to be much applauded, a great deal of what has happened to British industry and to our trade balance can be explained in those extraordinary and unsatisfactory terms.

I reiterate Labour's concern for the future of Ravenscraig. I make it clear, as I did on Second Reading and in Committee, that, if the Government intend to slide out from under any responsibility for Ravenscraig's future and respond to its closure by private owners—for the reasons outlined by Arthur Young—by saying, "It is now a commercial matter for the private owners and nothing to do with us," we shall not let them off the hook.

We put the Government on notice that they will be held politically responsible for the future of Ravenscraig. We are completely committed to that future. As my hon. Friend the Member for Motherwell, South has said, we intend to fight tooth and nail for as long as it takes to ensure that future. My hon. Friend's new clause gives the Chancellor of the Duchy, or his ministerial colleagues, a renewed opportunity to tell us that our fears are groundless. We shall be listening carefully, not for weasel words like "market forces" and "commercial considerations", but for a commitment to the future of Ravenscraig. It is an integral part of the sort of steel industry which the British economy desperately needs.

4.30 pm

Mr. Fallon: We have listened many times to the hon. Member for Dagenham (Mr. Gould), but I wonder whether we have ever before heard him give such unconvincing and uncertain support as he has for the new clause moved by his hon. Friend the Member for Motherwell, South (Dr. Bray).

On the one hand, the hon. Member for Dagenham asked my right hon. and hon. Freinds to reiterate, to replicate or to demonstrate their anxiety for Ravenscraig. On the other hand, of course, he advocates all the usual arguments against monopoly. It is no wonder that the English Labour Front Bench is so uncertain about the policies for devolution advocated by the hon. Member for Glasgow, Garscadden (Mr. Dewar) and his hon. Friends. It is no wonder that the red rose of England is such an unsuitable symbol for the Labour party in Scotland, when we have that ambivalent approach advocated by the hon. Member for Glasgow, Cathcart (Mr. Maxton).

Mr. John Maxton (Glasgow, Cathcart): Perhaps the hon. Member could explain why the so-called red rose, as he calls it, managed to sweep Scotland in the general election.

Mr. Fallon: I was just arguing the point that the red rose is not the most suitable symbol for a party that distrusts monopoly, but is unprepared to advocate devolution in Scottish industrial policy. Had the hon. Member for Cathcart believed that the red rose was a Scottish red rose, he would argue—as his colleagues have done on the privatisation of electricity—for a Scottish steel company that was prepared to take on an English steel company, a Welsh steel company or other regional divisions of British Steel. That was the lacuna in the speech of the hon. Member for Dagenham. There was a total absence of faith in the ability of the Scottish division of British Steel and of Ravenscraig to stand up to the forces of competition and the commercial play inside the domestic United Kingdom economy—let alone within the European Community.

This new clause is a Ravenscraig protection clause, but it is none the worse for that. If it is a clause simply to protect Ravenscraig, it might have been more honest if those hon. Members advocating it from the Opposition Benches had said, "We want to protect Ravenscraig for ever," or, "We want to protect it for 20 years, 40 years or 60 years." To dress it up in this special report, in terms of their distrust of monopoly and uncertainty whether the privatisation should be entire or partial, is completely bogus.

Of all the things that the Opposition could have argued this afternoon, they cannot argue that the Ministers have not taken seriously the arguments for preserving Ravenscraig. I am delighted to see the Minister of State, Scottish Office here. Since 1979, Ministers have done little else in the Scottish Office but take the arguments for Ravenscraig seriously. Had they not done so, had they absolved themselves of any social responsibility in that area of Scotland, Ravenscraig would have been closed some years ago.

The Scottish Office and Industry Ministers have bent over backwards seriously to consider the problems of Ravenscraig. This does not come easily from my lips, but they have taken a balanced approach to these matters. They have looked at all the social and economic consequences of closing such a large plant. They have looked at the dependence of the local economy upon it and they have drawn quite the opposite conclusion from that inferred by the hon. Member for Motherwell, South (Dr. Bray). The Scottish Office and the Department of Industry have protected Ravenscraig for nine years. Further, they laid out clearly before the House on Second Reading and in Committee the prospect of Ravenscraig surviving for some years ahead. The argument that the Scottish Office or the Industry Department have not taken Ravenscraig seriously does not stand up to serious examination.

Mr. Stan Crowther (Rotherham): Will the hon. Member accept that I largely agree with what he is saying about political decisions having kept Ravenscraig open? However, what he has not mentioned is that, for the past five years, Robert Scholey has been wanting to close it. Does the hon. Member expect Sir Robert to keep it open when he will no longer be subject to the scrutiny of a

[Mr. Stan Crowther]

Minister in the Scottish Office and he can make up his own mind? What does the hon. Member expect the future of Ravenscraig to be with Sir Robert in charge?

Mr. Fallon: That is an interesting intervention, which I shall answer. I have slightly more faith in the observation of the hon. Member for Motherwell, South in moving this new clause than in that of his hon. Friend the Member for Rotherham (Mr. Crowther). The hon. Member for Motherwell, South has assured us that Ravenscraig is "fully competitive". If Ravenscraig is fully competitive, I have no doubt that the markets, the future shareholders of the British Steel Corporation and the board of the British Steel Company plc will fully endorse the view of the hon. Member for Motherwell, South. There will probably be no question of Ravenscraig being closed.

Dr. Bray: It was as a north-east Member of Parliament that I first visited Ravenscraig and involved myself in these arguments. The hon. Member for Darlington (Mr. Fallon) has not understood the argument. While Ravenscraig is viable and is justified as contributing a net addition to the income of the country, BSC—when constituted as a private monopoly—would still find it in its interest to close Ravenscraig. That is a typical monopolistic action. If the hon. Member would like to see the figures spelt out in detail, I shall be happy to give him the Arthur Young report.

Mr. Fallon: The market, the research analysts and those who follow steel pricing will be disappointed with that intervention, because they already see the faith of the hon. Member for Motherwell, South slipping a little. In his first speech, he said that Ravenscraig was "fully competitive". Now he says that Ravenscraig is viable—*[Interruption.]* He said "viable". He said that its retention is fully justified if one takes the longer-term view. The markets have heard that one before, and they will hear it again. However, "viable" and "fully justified" are not of course the same as "fully competitive".

Dr. Bray: The Ravenscraig-Shotton-Dalzell group would be fully profitable.

Mr. Fallon: I am reassured. If the group were to be fully profitable, I see no reason for the markets that follow those matters, the investors in British Steel or the board to go to an annual general meeting or to the City proposing the closure of those plants. I am sure that the new reassurance from the hon. Member for Motherwell, South will be regarded as strongly as his original offering that Ravenscraig is "fully competitive".

Having dealt with the point about full competition, with the assistance of the hon. Member for Rotherham, I turn now to the suggestion of the hon. Member for Dagenham that the report might assist in some way and that the function that he suggested in new clause 3, which was not selected, might be attributed to the ombudsman. I refer to his complaint that no regulatory agency is to be set up. Of course I am concerned, as he is, that the British Steel Corporation should not exercise a monopoly. That is important for my constituency also. The British Steel Corporation has a half share in one of the major employers in Darlington. Therefore, I do not want it to abuse its monopoly position in the United Kingdom domestic market, any more than the hon. Gentleman does. However, I am not clear—I do not think that the hon. Gentleman's other new clause has been selected, so we will not be able to explore this point fully—exactly how the ombudsman or "Ofsteel" agency would cut across the normal rules of competition policy or the remit that the European Community has in that regard.

Mr. Gould: I am grateful to the hon. Gentleman for giving way, especially as I pay him the credit of knowing that he is one of the prime exponents and supporters of free markets and therefore, one assumes, of competition also. I take seriously his statement that he too is concerned about the abuse or potential abuse of monopoly by a privatised steel company, but what does he propose to do about that?

Mr. Fallon: I am grateful to the hon. Gentleman; I share that concern. We have heard from my hon. Friend the Member for Stockton, South (Mr. Devlin) about the Canary Wharf development. One of the major fabricators in this country, Cleveland Bridge, in my constituency, has the contract for that development, but it must purchase the steel. Therefore, I am concerned that, when privatised, the British Steel Corporation may be able to abuse or to exploit its position in the United Kingdom market.

The point that I was putting to the hon. Member for Dagenham and that he was putting back to me was that I do not see how an ombudsman or an "Ofsteel" regulatory agency could necessarily have a stronger regulatory framework than the normal rules of competition policy or the supervision that the Commission exercises in that regard.

Mr. Gould: Again, I am grateful to the hon. Gentleman because he was honest enough to say that he had not answered my question. Between the question that he is putting to me and the question that I wish to put to him, it is fair to say that we are scrabbling around the margins of a situation that we do not wish to see arise. However, he and the Government, who are the supporters and sponsors of this Bill, are committed to the outcome, so he has to answer the question rather more pointedly than I do. I return to the question: what would he do to allay the fears that he has conceded he feels?

Mr. Fallon: That is a fair question. All that I am saying is that new clause 3, which has been tabled by the hon. Gentleman, does not go anywhere near as far as we need to go. His regulatory body, which is not called "Ofsteel", but the Office of Fair Trade in Steel, would have, I understand, only a monitoring and reporting role. He does not envisage that office going any further than the present competition policy scrutiny arrangements allow. Therefore, we are entitled to ask how much further new clause 1 takes us. If it is his view that the monopoly aspect of a privatised British Steel Corporation should be of paramount concern to consumers and to industrial customers, he must come up with firmer regulatory arrangements than either his hon. Friend the Member for Motherwell, South or he himself has proposed.

In conclusion, arguments can be put forward against the privatisation of British Steel as a single entity and arrangements could be advanced by the Opposition for ensuring greater competition. However, the primary amendment or time of attack of this Report stage is this somewhat ambivalent new clause which seeks on the one hand to suggest that British Steel's monopoly is a threat,

but on the other hand, and at the same time, requires an extraordinary and permanent degree of protection for one plant. I for one certainly oppose the new clause.

4.45 pm

Mr. Malcolm Bruce (Gordon): I support the broad thrust of new clause 1. The reasons for this debate are, first, the way in which the privatisation is being brought forward and, secondly—this appeared not only on Second Reading but on Report—that the Government are anxious to get British Steel off the stocks while the books look acceptable and have not considered any option other than to sell it as a single entity.

Even if one brushes aside ideological and philosophical arguments, the thrust of the new clause is that, having decided that our steel industry was ready to be put into the private sector, any responsible Government would wish to look at every conceivable way in which that might be done so that they could pursue the best possible option. The House is entitled to conclude that the Government have not made any such attempts, but have simply said, "Heavens, we have a slippage in our privatisation programme. British Steel looks profitable. Let us flog it off as quickly as we can before we have even considered the best way to do it." The House is entitled to ask the Government to explain why they have not considered the options or, preferably, to say that they are prepared to consider the options and have decided on the particular course of action that is most appropriate, having presented the facts to the House.

Hon. Members representing Scotland are especially worried about the implications of the Bill for the future of Ravenscraig. In an intervention the hon. Member for Stockton, South (Mr. Devlin) told us that international competition would ensure that matters of choice and competition would be resolved. The hon. Gentleman proceeded to point to a location for the landing of foreign steel that is about as far away from the Scottish steelyards as one could get, in circumstances where the yards that manufacture steel for North sea oil production are reasonably expecting increased demand in the future and wish to look to a good quality competitive local supplier, which is what they have had in the past few years in Ravenscraig.

Another matter of concern, which has already been mentioned by the hon. Membr for Rotherham (Mr. Crowther), is that the British Steel Corporation has made little secret of the fact that it wishes to offload Ravenscraig. Indeed, if I am not mistaken, it attempted to present information that gave the impression that Ravenscraig was not viable, when in fact it was. The corporation loaded the accounts in a certain way to lead to that possible conclusion. That bears out the anxieties not only of Scottish Members, but of all Opposition Members.

The argument that was put forward by the hon. Member for Darlington (Mr. Fallon), that somehow the market is always right and that if an entity is profitable or viable it has nothing to fear, is naive. It is possible for those in an organisation to say, "We have four viable enterprises, but we could rationalise them into three viable enterprises." That may or may not make any difference other than one of managerial convenience. It may make a marginal improvement in efficiency, but it may not. However, the idea that because one of the enterprises is profitable such a decision would not be taken is foolhardy and is not borne out by the facts.

Ravenscraig is so crucial to the core of what is left of the Scottish industrial economy that its loss would be a damning blow. We should take on board the fact that we are talking about a Scottish economy which at the moment sustains over 5 million people and which, according to Government forecasts, will sustain only 4·8 million people in 12 years' time. Unless we can reinvigorate our whole economy we shall not be able to hold the population that we have, never mind add to it. It is really not credible to argue that if an entity as large as Ravenscraig were taken out there would be sufficient residual strength in the Scottish economy. Ravenscraig is crucial not just to the 5,400 people employed and the £300 million turnover that it represents, but to the whole Scottish industrial infrastructure.

Mr. Fallon: I appreciate that that may well be the case, but does the hon. Gentleman share the view of the hon. Member for Motherwell, South (Dr. Bray) that Ravenscraig is "fully competitive"?

Mr. Bruce: As far as I am aware, Ravenscraig has been profitable and, if accounts are independently examined, could have a profitable future, but that depends on several things, two of which are crucial to this argument. One is the wholehearted commitment of the management, which most of us know does not exist, and the second is the follow-through of that wholehearted commitment by investing in the plant to ensure that the extent to which it is competitive can be sustained in the future because it has the best equipment available. So far the only assurances that we have from the Government are qualified and relate to the finite nature of existing investment rather than the ploughing-in of any new investment.

Mr. Devlin: Does the hon. Member think that Ravenscraig is fully competitive? Perhaps I can home in a little more for him. Would he say that Ravenscraig is fully competitive with the other steel plants in the United Kingdom—Teesside, for instance?

Mr. Bruce: The pressure from Conservative Members shows why we have every reason to be worried, because the implication behind that question is that the hon. Gentleman thinks that Ravenscraig is not competitive and that the sooner it is closed the better. That is exactly what we are trying to defeat, because the consequences of that action would be devastating. This is not the place to widen the debate to social costs and the costs of infrastructure, but we cannot take out such a plant and ignore what that would mean to British Rail in Scotland and the effect that it would have on the cost competitiveness of our North sea oil industry in the 1990s. Those are factors that should have been, but have not been, taken on board.

I cite the record of British Steel in the early days of North sea oil development, when it decided to discontinue specialist steel pipe making just at the point when a major market had opened up for North sea equipment. We had to import a large proportion of the piping from Japan because we had closed down our capacity. The judgment of British Steel management has not always been impeccable. That may be—at this stage I say only "may be"—an argument why British Steel, if it is to be privatised, could usefully be privatised in more than one

[Mr. Bruce]

entity. Different managements might make different judgments of the appropriate priority and the market opportunity.

Given the indecent haste with which the Minister wishes to sell off British Steel, before it has fulfilled one year of viability, if British Steel gets into financial difficulties in the future, what will the Government's response be? Will they allow British Steel, as an industry, to disappear? Will Britain simply opt out of steel-making because the Government are not prepared to operate a steel industry that cannot pay its way, regardless of the strategic implications and of the effect that that would have on other industries? If so, that is a highly irresponsible attitude to take. If the Government are prepared to accept responsibility, how will they ensure that we have a viable steel industry that is not likely to get into difficulty? I say only that this may be an argument, but if there were two or three steel corporations, not all of them would necesarily get into difficulty at the same time and the scale of the problem might not be quite so severe.

The Government have failed to demonstrate that they have in mind what I would regard as responsible stewardship of this industry. I come back to the debate, having spoken on Second Reading and criticised the impetuosity and haste with which the Government have pushed this matter forward, and find that throughout the Committee stage that situation persisted.

The steel industry continues to be crucial to our economy. Everybody must welcome the fact that it is in a strong position, but questions remain to be answered by the Government, and I do not believe that they have looked at the possible different ways in which they could pursue their objective. I feel that the reason for that is that they are anxious to get British Steel off their hands while the going is good, and I for one have no confidence in their record so far.

Mr. Patrick McNair-Wilson (New Forest): I came to the House 24 years ago direct from the steel industry. I start my remarks by declaring an interest in that I am currently associated, and have been for 30 years, with a company that makes the bulk of the melting electrodes for the industry.

The steel industry today is in very good heart indeed, which has not been achieved without going through some very difficult times during the past two decades. I remember vividly when I came to the House—indeed, I made my maiden speech on the steel industry—that the Labour party was full of the views of the late Richard Crossman and the need for the commanding heights of the economy to be taken into public ownership—and, of course, the steel industry was the most commanding height of all. Far from being an easy business to operate, it turned out to be one of the most difficult that any Government had managed. Indeed, it has been an albatross around the neck of the taxpayer that is only now beginning to release its grasp.

It amazes me to hear Opposition Members asking for assurances about what may or may not happen in the future and about one particular plant, which I shall certainly refer to in a moment, when I remember the savage treatment meted out to plants such as Consett, where the whole of the local economy was dependent on the one plant—the gas supply, the bus station, the whole lot. That was because of the need to keep the corporation viable.

One could argue that the presence of the big integrated plants has played a substantial part in the destruction of many of the smaller companies and, as a result, produced a great deal of misery and unhappiness in all parts of the country. In Scotland it is not just that Ravenscraig may or may not suffer; other plants have already had to go in order to keep these big monsters alive. One could argue whether the investment in plants, such as Anchor and the other big integrated plants, was in the best interests of the steel industry in this country. One has to recognise that, although the corporation is now in very much better shape than it has ever been before, our inability to provide the necessary products to bring the North sea oil ashore is a good example of how sadly the British steel industry has failed over the last two decades to meet all the requirements that we would all have liked it to meet.

The British Steel Corporation, as a monopoly, has been ruthless to the private sector. We are being asked by Front Bench Opposition Members to build in all sorts of safeguards to protect various individual companies when the company is eventually privatised. BISPA—British Independent Steel Producers Association—has put up a magnificent fight over many years to try to protect that sector of the industry that was not nationalised, but how can that part of the industry ever compete with a corporation with its hand deep in the taxpayer's pocket? As a result, Ministers from both Labour and Conservative Governments have come to the Dispatch Box at various times with borrowing powers Bills to top up the corporation's finances and created a situation in which a private organisation could not hope not merely to compete but even to survive. Therefore, I hope that we shall not hear too much in the remainder of these debates about the almost benevolent attitude that the corporation has taken in the past. It has been a ruthless monopoly.

Mr. Austin Mitchell: What the hon. Gentleman is saying is, of course, borne out by the record, particularly the crushing of the private sector from 1980 to 1982. Is he therefore happy that a monopoly which has the potential for being even bigger and more powerful should be put in the private sector without any let, hindrance, control, restraint or supervision in any form?

Mr. McNair-Wilson: The hon. Gentleman is making an important point. Under nationalisation, as a result of destroying companies' names and structures, all the landmarks within the industry were ultimately removed. That was done deliberately to make it extremely difficult to denationalise the industry into the shape that it had been before it was taken into public ownership. In future I, too, should like to see the industry returned to real competition. The whole of the nationalisation statute was undoubtedly based on creating a single monopoly and, as the hon. Gentleman pointed out in his intervention, that had a disastrous effect on the private sector.

5 pm

The Ravenscraig plant has been mentioned. I do not represent a Scottish constituency, and Opposition Members know Scotland's problems better than I do, but in its heyday as a flat product plant supplying originally Rootes at Linwood with autostrip and the shipbuilding industry on Clydebank it obviously had a substantial

home market. That has changed. I do not know what the future of Ravenscraig is. I do not involve myself directly in that. But we must recognise that other parts of the industry have every bit as strong a claim to survival, but this plant has caught the public imagination and hon. Members with constituency interests have properly fought for it. I hope that we shall recognise, as Opposition Members who lived through the days of closures know only too well, that we cannot make complete predictions about the viability of any plant or business. I hope that Ravenscraig survives and prospers, but I must recognise that its original concept was against a completely different market background from that which applies today.

I end my remarks with a plea for the industry. The industry's shape has changed, its product range has to some extent changed and, indeed, it is probably safe to say that another blast furnace will never be built. Electric melting should have a bright future, but that depends on energy costs. The cost of energy has always been a problem which we have had to confront in the industry, even when the blast furnace route was regarded as the only route. Sir Ian MacGregor, when chairman of British Steel, said that there was no future for electric melting because electricity costs would never be sufficiently low to make it viable. Indeed, subsequently when he went to the National Coal Board he stated that electricity generation costs would always militate against electric melting. That is a great pity.

If my right hon. and hon. Friends on the Front Bench are considering the future of the steel corporation as a privatised entity, they must consider it alongside what I hope will also be a powerful supporter of that entity, namely, a privatised electricity business——

Mr. Deputy Speaker (Mr. Harold Walker): Yes, but I hope not this afternoon.

Mr. McNair-Wilson: The new clause cannot provide the assurances that Opposition Members seek. Despite the fact that we all share the same desire for a successful corporation in future, no guarantees can be given from the Front Bench.

Dr. John Reid (Motherwell, North): I hope that the hon. Member for New Forest (Mr. McNair-Wilson) will not mind my saying that I found his contribution bizarre. The gist seemed to be that, because plants had been closed in the past in order to retain a viable steel industry, we should now sanction the closure of a steel plant which is viable at present and which would have a fully profitable future if the new clause were accepted. The hon. Gentleman almost seemed to say that we should sanction the closure of Ravenscraig as an act of vengeance for the ruthlessness of the British Steel Corporation in the past.

At least the hon. Gentleman's speech had the merit of clarity. The hon. Member for Darlington (Mr. Fallon) seemed to suffer under so many misapprehensions that it would be impossible to correct them, but perhaps I could try to correct one or two. For the record, the red rose is not the monopoly of England. If his knowledge of Scottish poetry is as deep as his knowledge of Scottish history, he has probably been taught that Robbie Burns wrote that his love was like a red, red thistle. The red rose was the subject of that particular poem.

The hon. Gentleman seemed to suffer from a misapprehension on three other occasions. He seemed to think that we were arguing for a Scottish steel industry. At no stage in or outside Committee, or in or outside the House, have any of us argued for a Scottish steel industry; nor do we argue for one in the new clause. Similarly, the hon. Gentleman seemed to be under the impression that in the new clause we were arguing for protection for Ravenscraig. The clause merely asks that a rational, viable and cold look be taken at all the options. This is not merely a protection clause for Ravenscraig, although that is one element in the reasoning behind the new clause.

The hon. Gentleman seems to have left the Chamber, but at least he can read my comments in *Hansard*. Even if this were a protection clause for Ravenscraig, given the choice between a protection clause for Ravenscraig and a protection clause for City investors, I would have to choose the former, and I am sure that my hon. Friends from Scotland would do the same.

Mr. Devlin: My hon. Friend the Member for Darlington (Mr. Fallon) has had to leave the Chamber temporarily to meet a Cabinet Minister and he will return shortly, but I am taking note of all the hon. Gentleman's comments so that I can pass them to my hon. Friend when he returns.

Dr. Reid: I hope that the hon. Gentleman will explain the points to his hon. Friend slowly and in single syllables so that his future contributions may be slightly more enlightening than the one he made today.

My hon. Friend the Member for Motherwell, South (Dr. Bray) outlined in considerable detail the reasons why the Government would be wise, politically and commercially, to reconsider the future configuration of the steel industry. His reasons included consumer satisfaction, competition and national interest. There are 58,500 other reasons why the Government should reconsider—the constituents I represent. I wish that the Secretary of State for Scotland was in the Chamber to hear our combined reasons and to listen to the debate. I cannot think of a more important debate for the industrial future of Scotland in recent years, yet the Secretary of State is prominent by his absence. Why he should be absent is a mystery to me. So far as I am aware, there are no cup finals in Scotland today, but no doubt he has business that he considers more important than the future of Ravenscraig.

For my constituents and their families, this is perhaps the most important debate held in the Chamber for many years. Moreover, it is vital to millions of people in Scotland who live far from my constituency or, indeed, Lanarkshire and have no direct interest in the steel industry. Today we are simply concerned about the survival of the largest industrial entity in Scotland—the Ravenscraig steel plant.

My hon. Friend the Member for Motherwell, South has said today as well as in Committee that there are no easy options. We do not expect unanimity on the Conservative Benches, or even on these Benches, on future solutions on configurations. The task is difficult. There are conflicting interests between political parties and within them. There are differing interests of employees at different plants, as there are between managements and product groups.

I pointed out in Committee that the major steel plant in my constituency is the Clydeside tube works, which the Chancellor of the Duchy of Lancaster knows well. That has been suffering because North Sea oil-related work has been falling as the ratio of the pound to the dollar has

[Dr. Reid]

changed in a direction adverse to the commercial prospects of the works. For all those reasons, the works has been operating at a loss.

Objectively, at first sight, it would in the interests of those who work in the plant, many of whom are my constituents, as the plant lies at the heart of my constituency, to support the privatisation of BSC as a single entity. But that view is greatly over-simplified and very dangerous, and it is the reason why I support my hon. Friend's new clause.

We are discussing nothing less than the future of the Ravenscraig steel plant. Unless the new clause is accepted by the Government, and if the Government go ahead with privatisation of BSC as a single entity, as they seem intent on doing, all the history of BSC and all the evidence that I have seen—although I am not privy to the information seen by Ministers, nor have they been inclined to reveal it to me or other hon. Members—suggests that the closure of Ravenscraig is on the cards.

Closure will not come immediately, of course. Commercial considerations will prevent an early closure of Ravenscraig, and political considerations will be involved as well. It will not do for Ministers, especially those at the Scottish Office, to allow the closure of the Craig so quickly after they have washed their hands of responsibility for the Scottish steel industry. Closure will be done very tastefully, and existing plans for the industry, including the Scottish industry, will first be passed to the private sector. Then a respectable period will elapse during which the Government can clearly indicate that they have severed for ever the ties binding them to the industry.

After a respectable period, after political honour has been satisfied and when commercial considerations, above all profit, demand it, Ravenscraig will be closed. Perhaps closure will not happen all at once but will be achieved by the infamous "salami tactics"—slice by slice, section by section—but the ultimate outcome will be closure, dictated by profits and implemented by private management and sanctioned from the safety of her bunker in Downing street by a Prime Minister who, given her political responsibility, has been reluctant so far to sanction such a closure. Today is the Government's last chance to avoid that disastrous development.

I regret to say that, from the evidence of today's debate, the Government still do not want to grasp that opportunity. On the basis of all the evidence that I have seen, I believe that privatisation of the British Steel Corporation as a single entity will mean ultimately the closure of Ravenscraig. Every person in my constituency will be affected. I will not ask workers in the tubes division to safeguard their future by being signatories to the death warrant of the Ravenscraig steel plant; nor will any reasonable person with the future of Lanarkshire and the Scottish industry near his heart.

5.15 pm

If the new clause is not accepted, my constituents who work in the tubes division will be asked to participate in an act of industrial murder, which will prove in the long run to be industrial suicide. Despite objective evidence, who can doubt that if BSC in its privatised form comes for Ravenscraig in the early 1990s, it will not be long thereafter that it comes for DL Clydesdale, Imperial and Clydebridge, the remaining rump of the Scottish steel industry.

Two facts motivate our concern and the new clause. Anyone with even a passing acquaintanceship with the Scottish steel industry knows from bitter experience that the Ravenscraig steel plant has long been a target for closure by BSC's management. The battle for Ravenscraig did not start today and does not end today with this debate. It has been fought at the plant, in the press, and in the communities of Lanarkshire. The argument has been paraded almost constantly, it must seem to Ministers, through the streets of Glasgow and Lanarkshire and it has been carried through the snow from the gates of Gartcosh to the barriers at the end of Downing street. It is an argument for survival.

Over the past few years, workers in the Lanarkshire steel industry, particularly at Ravenscraig, have waged that battle for survival. They fought, not using the traditional weapons of industrial action but by almost unparalleled feats of production. Their efforts have won acclaim from every shade of opinion in Scotland, from plant floor workers, to the churches, community groups, management and trade unions; up to now, ministerial support has come from the Chancellor of the Duchy of Lancaster and from the Scottish Office.

Those of us who raise the issues today do so after long thought and consideration. On occasions we have been accused of talking down Ravenscraig or of having almost a death wish about the plight of the Scottish steel industry. Nothing could be further from the truth.

Nobody who lives, as I and my hon. Friend the Member for Motherwell, South (Dr. Bray) do, in the midst of a community that is dependent on the Ravenscraig steel plant would want anything other than a prosperous and healthy future for the plant. But the history of the BSC's imagined ambitions to close Ravenscraig in the past is the first factor that motivates us. The second is speculation about BSC's intentions. By its very nature, it is far more speculative than the history that we can read.

We have been denied access to information in order to reach that judgment, but we are eternally grateful to Motherwell district council for having financed a study, to which my hon. Friend the Member for Motherwell, South referred earlier. The study was carried out by Arthur Young and Company, which is not a Left-wing think tank, but a company with sound commercial credentials and an impeccable reputation in the City and City affairs. Its conclusions must be taken seriously, and they can be stated starkly.

They are that, if the Government proceed with privatisation of BSC as a single entity, first, it will not be in the interests of BSC as a commercial enterprise to keep Ravenscraig open beyond 1991. Secondly, it will not be in the interests of BSC to keep DL open beyond 1994. Thirdly, 11,000 jobs will be lost in Scotland, mainly in and around Motherwell. Fourthly, the loss of income to Scotland will be about £100 million. Those conclusions, even the possibility of those conclusions, demand a more urgent and constructive response from the Government than has been forthcoming so far, because they constitute nothing less than a national industrial disaster for the Scottish economy.

It is no use Ministers harping back to the so-called guarantees of 3 December. I said at the time that those guarantees of steel in our time were as legitimate as

Chamberlain's guarantees of "peace in our time". They will not guarantee the future prosperity of the steel industry. They were a timetable for the execution of the steel industry in Scotland. There was a symmetry of cold and almost poetic logic in the timetable set out by the Chancellor of the Duchy of Lancaster on 3 December—legislation in 1988, flotation in 1989, amputation of the Craig in 1990 and termination in 1994. If that timetable were allowed to proceed, and if BSC is privatised as suggested, the social and economic effects on my constituency and on Scottish industry will be disastrous.

I conclude in the spirit in which my hon. Friend the Member for Motherwell, South moved the new clause. We are not here to score party points, and we do not intend to be provocative. We do not ask the Government to prejudge the matter, as some hon. Members have suggested. We merely ask them to abandon prejudgment and prejudice. We ask the Government to leave the door ajar for further reasoned and rational decision-making. We ask them further to consider alternative offers and to encourage such offers. Above all, we ask them to accept the avenue that the new clause provides for combining the implementation of their privatisation plans with the security of our industry. If that offer is accepted, it will certainly benefit the Scottish steel industry and people in my constituency. If the Government reject it, they will find that there is no hiding place if Ravenscraig eventually closes. There will be no political get-outs or management scapegoats. The decision and the responsibility will be theirs. Neither today nor then will they be allowed to avoid that responsibility to the people of Scotland.

Mr. Rhodri Morgan (Cardiff, West): I speak on behalf of all my Welsh Opposition colleagues when I make it plain at the outset that we do not agree with the Ravenscraig-Shotton-Dalzell option. We in Wales are concerned, in the context of the RSD implications drawn from the structure of the new clause, that splitting-off the finishing plants of BSC from the hot metal production plants will open up the equivalent of Pandora's box. In the steel industry world-wide money is made, not at the steel production end, but at the finishing end. The last thing that we want to encourage is the idea that the finishing end, such as the tinplate or coating divisions, should be split off from the hot metal end, whether at Ravenscraig or in the two south Wales strip mills at Port Talbot and Llanwern. We want to avoid that. We do not want finishing mills to be sold off separately as the most profitable parts of BSC's operations. We do not want that possibility even to be considered, although it might be attractive to the local management of BSC in those areas and to people in the City who might want to back them.

In amendments Nos. 31 and 32 we question whether the structure of BSC should continue into privatisation without further consideration. I want to continue in the spirit of the remarks made by my hon. Friend the Member for Motherwell, North (Dr. Reid) and by the hon. Member for New Forest (Mr. McNair-Wilson) and try to discuss the affairs of the steel industry in the way in which people in it do when talking among themselves. One thinks of people who have finished their shifts and have gone for a pint discussing the industry, or people on the management side of the industry discussing it with their professional advisers.

What is the proper and best future for the steel industry? We are trying to see whether we can improve the Bill. We have said that we are not keen on it and do not like it. We are attempting to persuade the Government that the Bill could be improved by slicing off the parts of BSC over which it no longer has any management control. That makes sense, because Ministers have so far not examined closely the fact that the nationalisation of the industry took place in two ways, as the hon. Member for New Forest said.

The main part of the industry was nationalised in 1967, but there was a considerable hidden wave of second nationalisation, in the Phoenix programme between 1979 and 1981, when orders in the steel industry fell off the edge of a cliff, as they said in those days, and when the creation of single-capacity companies, where previously there had been competition between BSC and the private sector, took place on a substantial scale. Some private sector competitors disappeared altogether. Duport in Llanelli was bought out by Mr. MacGregor in 1980-81 and was closed down. There was the merger of the rod and bar interests of GKN and BSC and the formation of Allied Steel and Wire in 1981. The following year—or a few years later—United Engineering Steels was formed, and Sheffield Forgemasters and the other Phoenix companies followed.

That was the second wave of nationalisation, which absorbed much of the competitive structure under which the private sector had competed with BSC, and the reason for it was that conditions in the industry were appalling between 1979 and 1981. Energy prices were far too high, the pound was far too high, and demand was low. So it was a matter of who would survive the holocaust, and single capacity working was chosen as the only method of procuring any sort of survival. Considerations of competition did not enter into it.

Now the Government must consider whether they need to undo the nationalisation of the industry as though it had all taken place in one fell swoop in 1967, or whether they should consider undoing it as it actually took place, which was in two stages—the original nationalisation, and the Phoenix nationalisation with the consequent elimination of competition in the areas in which even in 1967 it had been thought right to preserve competition between GKN, Johnson and Firth Brown and other private steel companies such as Duport and BSC.

We are asking the Government to remove from the successor company the right to inherit the minority shareholdings that it has because of the Phoenix mergers that took place between 1980 and when the last Phoenix company was formed in about 1983. We ask them to give serious consideration to whether those minority shareholdings—sometimes they are as much as 50 per cent., but in Allied Steel and Wire they have shrunk to 20 per cent.—should be separated and denationalised separately, or held by the Government. We could discuss that matter at a later stage. Should BSC be granted the right to hang on to those minority, or up to 50 per cent., shareholdings?

Accepting these amendments would introduce an area of clean competition between BSC and Allied Steel and Wire. They do not always necessarily compete in steel products, although they do in one or two. In the main, they compete in the end use—in the construction industry. As the hon. Member for New Forest said, they compete because of the competition between the electric arc production method and the blast furnace and basic oxygen method.

[Mr. Rhodri Morgan]

It is a healthy thing for the consumer to know that the Allied Steel and Wires of this world are competing flat out against the BSCs by pitting the best of the electric arc technologies in the world against the best BOS vessel technologies, without BSC having the extra leg that would stifle competition—the leg of knowing exactly the prices that Allied Steel and Wire was negotiating for its electrodes, scrap and so on. That is healthier for the consumer, and it is the way to keep imports down and produce a clean flotation of the industry. It would remove the octupus-like hold that BSC would have, because of its minority shareholdings in the Phoenix companies, on the new companies that are being created, which will shortly be floated themselves. It is suspected that Allied Steel and Wire will be floated in three or four weeks' time.

What could be healthier for the consumer of steel, for the workers in the industry and for its management than to know that BSC and ASW—and later UES, when it is floated—are competing against one another, not knowing the prices the others are paying for raw materials, the technological developments that they have up their sleeves, or the investment plans of their competitors? What could be worse for management and the work force of Allied Steel and Wire than knowing that every new investment and technological advance and every new negotiated price reduction will be known before they can be made use of, through the nominee directors that BSC will have on the board of Allied Steel and Wire? Is that healthy for the consumer? I do not think that it is.

Above all, it would not only produce a healthier climate for competition and keep down imports, but would have a beneficial effect. If the 20 per cent. shareholding which BSC holds in Allied Steel and Wire were transferred at any time of the Government's choosing before BSC is floated, early next year or later this year, into an employees' trust fund for the employees of Allied Steel and Wire, it would encourage the workers and management of Allied Steel and Wire to buy shares in the company to ensure that the company stayed independent of BSC.

5.30 pm

The Government have agreed in principle to provide a golden share type of protection for the British Steel Corporation. During the period of five years, or whatever time the Government have in mind for a golden share for BSC, the corporation might try to make a clean sweep of the Phoenix companies. It may decide to make a takeover bid for Allied Steel and Wire or for United Engineering Steels. That would do away almost completely with competition within the United Kingdom. There would still be a few companies, such as Sheerness, the ownership of which is outside the country, which would be independent, but in the main it would demolish competition within the country. Indeed, by insisting on the golden share provision, we would protect BSC and make it easier for it to do that, unless a golden share is given for the same period for the Phoenix private sector companies.

The 20 per cent. share stake in BSC being held by the Government in an employees' trust fund for the employees of Allied Steel and Wire, with comparable arrangements for United Engineering Steels and so forth, will encourage workers to have shareholdings. It will also double as a golden share to protect Allied Steel and Wire from being taken over by BSC, with disastrous effects for competition, steel consumers and the level of imports. That is why I ask the Government to think seriously before they dismiss the amendments. They would be healthy for the industry and would reflect the way in which the industry was originally nationalised. They would make a genuine improvement to the Bill.

Mr. Alex Salmond (Banff and Buchan): I am pleased to support the new clause. It is modest in its intent, asking merely for a quantitative estimate of the economics of a competitive privatisation of British Steel. However, it has been enough to expose ambiguities in the Government's position. It has also exposed ambiguities in the position of the Labour party, but I shall leave that to one side for the moment.

Mr. Maxton: I do not wish to go too deeply into what the hon. Gentleman may say later about the so-called divisions in the Labour party, but his party is in alliance with the Welsh nationalist party, Plaid Cymru. I am interested in the fact that no members of that party are present. Perhaps the hon. Gentleman can give us the views of Plaid Cymru on the RSD proposal.

Mr. Deputy Speaker: Order. The hon. Member for Banff and Buchan (Mr. Salmond) should give his own views.

Mr. Salmond: I shall certainly do that, Mr. Deputy Speaker. Neither we nor Plaid Cymru are in favour of the Ravenscraig-Shotton-Dalzell option. I am amazed that the hon. Member for Glasgow, Cathcart (Mr. Maxton) does not know that. We argued for an integrated steel industry in Scotland. Of course, the question has been asked many times whether the Labour party Front Bench is in favour of the RSD option, which has been argued so forcefully by Labour Back Benchers. That is a legitimate question to put to the Labour party; it has not been answered. Ambiguities on Labour's position have also been illustrated by the hon. Member for Cardiff, West (Mr. Morgan).

But I want to leave the divisions in the Labour party to one side for a moment and explore the ambiguities in the Government's position. On Friday last, I made the mistake of switching on the television and seeing the Conservative party conference in Scotland. One speaker —I forget who; it may have been the Minister of State —in an eminently forgettable speech, was putting forward one argument which had an element of sense. The argument was that the process of nationalisation had removed from the Scottish economy key areas of decision making. That was a legitimate criticism of nationalisation. It is not a criticism of public sector control in itself, but it is a legitimate criticism of the process of nationalisation as it took place in the 1950s and 1960s.

We might think that it also shows the extraordinary cheek of a party which has privatised the TSB and Britoil and has shown how privatisation can remove control from the Scottish economy. None the less, it was a substantial point which was made at the Conservative party conference in Scotland. Given that the Government have the opportunity to reverse the process in the privatisation of British Steel and the opportunity through privatisation to restore management control to Scotland, it is all the more surprising that they do not take it. Here we see the first major ambiguity in the position of the Conservative

party in Scotland. The only conclusion can be that the Scottish Office is taking its orders, as usual, from south of the border.

The second ambiguity exposed by the new clause concerns the attitude to the competitive market environment. I am a member of the Select Committee on Energy where we are discussing the privatisation of electricity, a major utility. There are grave problems about introducing competition into the transmission and delivery of electricity. However, the Conservative members of the Committee and the Ministers who have appeared before it insist that, whatever else happens in the privatisation, competition must be introduced. Is it not all the more curious that, in the privatisation of the steel industry, where it would be much simpler to introduce domestic competition than in the electricity supply industry, the Conservative party should abandon that principle and go for monopolistic privatisation? It is a curious ambiguity, which cannot be defended on principle. There are only the poorest arguments for sending the steel industry into the private sector as a monopolistic entity.

I am sorry that the hon. Member for Darlington (Mr. Fallon) is not still here. I can only assume that the important meeting with a Cabinet Minister is a meeting with the Secretary of State for Scotland. That would explain the absence of right hon. and hon. Gentlemen from the debate. Perhaps the hon. Member for Darlington is giving the Secretary of State for Scotland his weekly economics lecture and is telling him what to say in Scotland next week.

If the hon. Member for Darlington had been here, I would have put it to him that it is the most elementary point of free market economics that there should be no monopolistic behaviour. Of course, if British Steel is sent into the private sector as a single unit, it will restrict output and maximise profitability. It is incredible that the hon. Member for Darlington should have ignored that point.

If British Steel is sent into the private sector unencumbered, the entrenched hostility of British Steel senior management to the Ravenscraig complex will come to the fore, without any protection of the public interest. The Chancellor of the Duchy is fond of saying that this fear exists in the minds of Opposition parties and that we talk down the Ravenscraig complex. But that view is generally held. For example, it is held by the Scottish Council (Development and Industry). Recently, the Chancellor of the Duchy made some complimentary references to that body which by no means can be described as a party politically oriented body in Scotland.

In March, in reference to the dangers of sending British Steel into the private sector as a single entity, the council said:

> "On track record, it is reasonable to assume that a single company operated in the private sector and thereafter not subject to public control would close Ravenscraig Works at an early stage. The adverse effects on the Scottish economy have already been well documented. Closure would also jeopardise the delivered price of steel in Scotland from other sources, because of loss of the basing point which is used in the price formula."

That quote from the Scottish Council encapsulates the real fears on the conclusion of any serious examination of the likely future of the Scottish steel industry under the Government's proposed privatisation. We also recognise the important point made by the Scottish Council, that the closure of Ravenscraig would not just be a matter of the enormous direct loss of 11,000 jobs, and £100 million in output, but it would have a continuing impact on the Scottish economy because the loss of the basing point would affect many steel using industries throughout the length and breadth of Scotland.

The fears for Ravenscraig are real, and not just the fears of entrenched political interests. They are shared by many impartial bodies in Scotland, and the Government have done nothing whatever to allay the fears. No hon. Member has made the case for an integrated steel industry in Scotland as the best possible option. I should like to make that case.

Mr. Deputy Speaker: Order. The hon. Gentleman must not seek to make that case while discussing this new clause.

Mr. Salmond: The case for how the industry should be competitively privatised is the subject matter of this new clause.

Mr. Deputy Speaker: Order. The hon. Gentleman cannot be reading the new clause that I have before me, because it says:

> "Before the appointed day the Secretary of State shall lay before Parliament a report giving quantitative estimates".

I fail to see how that would justify the kind of argument that the hon. Gentleman is seeking to advance, and I hope that he will not persist.

Mr. Salmond: One of the important estimates that I expect to see the Government produce if this new clause is accepted is about the real possibility of an integrated steel industry in Scotland. It should be central to the debate on this clause——

Mr. Deputy Speaker: Order. It seems that there is a difference of opinion between the hon. Gentleman and me, and on this occasion my opinion will prevail. I hope that the hon. Gentleman will address himself to the new clause.

Mr. Salmond: The new clause would certainly prevent what would be the worst of all possible situations—the sending of the steel industry unencumbered into the private sector, unrestrained by the public interest, in so far as that is recognised in Scotland by the Government, and unrestrained by the force of competition in the market place. The new clause will test whether the Government believe in a free market or a rigged market in the Scottish economy. If the Government refuse to accept the new clause, they may well be signing the death warrant of Ravenscraig. If that happens, Scotland will sign the death warrant of the Conservative party.

Mr. George Robertson (Hamilton): The Opposition have said a number of times that this is the wrong solution for the British steel industry. We have to work on the premise that a better solution exists and that the British Steel Corporation should stay in the public sector. If we accept the argument that it is a central, important and vital industry, then only in the public sector can it get the protection that it deserves.

We are considering the privatisation of this industry well ahead of schedule; further ahead than the Minister told us after the election. We know that there is a gap in the legislative programme and that the Chancellor of the Exchequer, with all his difficulties, needs more of the loot that comes from privatisation, and that BSC falls neatly into that category. This is an important and balanced debate in which we are considering one of the more serious and important issues in politics. It did not require much

[Mr. George Robertson]

vision to see at the weekend how important even the Prime Minister now considers the Scottish dimension to be to her own political future.

It was fascinating to watch the Conservative party in Scotland going through a disastrous general election and then an even more disastrous series of local elections only a fortnight ago and then the Prime Minister came to Perth and spent a weekend in Scotland. It was an incredible set of experiences. The Glasgow garden festival was granted three hours of the Prime Minister's time, and Hampden park was graced with her presence for lunch. The large crowd at Hampden park found that she was there to present trophies at the end of the game. It is a matter of some pride to us that she now feels it sufficiently important to come to Scotland and to be troubled about the fortunes of her party.

5.45 pm

Those who examine the way in which the Conservative party treats Scotland—and people do not have to be terribly perceptive to do that—will have noticed a considerable difference in attitude from previous occasions. When the Prime Minister came to Scotland at the weekend she did not tell us, as the Conservatives have told us in the past, that we were a bunch of whingeing no-gooders, supplicants at the public purse. The hon. Member for Darlington (Mr. Fallon) is the main script writer for the Prime Minister and other Ministers. This time we were told that Scotland was the birthplace of Adam Smith, that he was the precursor of Thatcherism and that we were to be congratulated on producing that philosophy. We were told that Scotland was the base for silicon glen, that it represented all that was best in the country and that only the small aberration in Scotland's voting pattern set it apart from the rest of the United Kingdom. Anyone who watched on television the penguin parade of political casualties in Perth could have been mistaken for thinking that the Conservatives had had two triumphs instead of two disasters there.

It is important to remind ourselves that Scottish politics are important in the national context and that the debate on the new clause could not be more relevant. In my constituency the largest employer is the Ravenscraig steel works, which is based in the constituency of my hon. Friend the Member for Motherwell, South (Dr. Bray). I do not think that any hon. Member who has participated in the debate considers the future of Ravenscraig as a constituency matter or, indeed, as a simple, parochial west of Scotland or even Scottish interest. We are concerned about the importance of Ravenscraig and about the importance of a balanced steel industry to the British economy. At times Conservative Members, and even Ministers, have been willing to admit that that is a fact of life.

We all rightly feel inhibited about talking down the fortunes of Ravenscraig and the associated steel works in Scotland. I concede that that is a danger. If we speak often enough, and regularly enough, about the dangers to Ravenscraig and to Scottish steel, the argument will take on an inevitability that might bring the disaster that we continue to predict. My hon. Friends the Members for Motherwell, South and for Motherwell, North (Dr. Reid) are aware of that in this debate, as they have been in every other debate that has taken place.

We are interested, not in milking Ravenscraig, but in boosting it. We do not want to criticise it. We want to give due credit to its work force and management, who over the past 10 to 15 years have made it one of the most efficient, profitable and effective contributors to the European steel industry. That is certainly not knocking Ravenscraig. To draw attention to the dangers facing Ravenscraig, both under the Government and, perhaps more acutely, under the non-political leadership of the present management of BSC, is not knocking or criticising Ravenscraig, but is simply pointing out a basic fact of life that Ministers will have to take on board.

Much has been made in the debate of the assurances that have been given to Ravenscraig, and I have no doubt that the Minister will tell us about those. We have been told regularly how important those assurances are, and Ministers have mentioned periods of seven years and two years. They have told us that these are greater guarantees than have ever been given by any previous Government. These guarantees exist on paper, but the moment a guarantee is given people ask about what will happen at the end of the guarantee period.

The Government have a political reason for keeping Ravenscraig open. If the Prime Minister's eyes have been opened sufficiently so that she can walk through the streets of Glasgow with the same fearlessness as she displayed last year when she walked through the streets of Tbilisi in Georgia, she is beginning to learn the lesson that the Scottish people have been trying to teach her for at least the last five years. Perhaps Ministers have taken on board the importance of Ravenscraig to Scotland and the importance of Scotland to the United Kingdom as a whole.

As Ministers have now realised how difficult it would be in political terms to take a decision that would rob the steel industry of Ravenscraig, they are about to pass the industry into the hands of people whose motives are even more suspect and who are even more remote from political accountability than Ministers with only 10 Members of Parliament behind them.

I make no attack on Sir Robert Scholey and the senior BSC management. They have done an extremely good job and have produced for the Government an extremely profitable industry which is now so attractive that it is being handed over to them on a plate. Sir Robert Scholey is a man of considerable esteem. Indeed, when I left university 20 years ago I was offered a job at the United Steel Company, which was the main launch pad for Sir Robert Scholey and the group that presently runs British Steel. Given different circumstances, who knows where I might now have been in that organisation.

I make no criticism of the management's competence. They have said openly that the British Steel Corporation and British Steel plc would be leaner, fitter and more competitive in the general European context in which they believe they must operate if there were one fewer integrated steel works. They make no bones about which one they would like to see go.

The Government will now hand the stewardship of British Steel into the hands of that group. It is right for and perceptive of our constituents and the wider community in Scotland to be deeply suspicious about the future of Ravenscraig, given the declared views of the individuals who will be in charge of British Steel. It is normal to be suspicious. It is not an aberration to be suspicious of those who will take the decisions in the future. We should not

take it as part of a gigantic conspiracy. Those suspicions have due foundations and Ministers should take them on board and should not, for their own political skins, dare to dismiss them as the frivolous rantings of the people who represent those areas.

My hon. Friend the Member for Motherwell, South introduced the new clause as a form of enabling provision that would allow the Government, consistent with their ideological fixations, to put forward alternatives within which competition could take place and accountability could be measured. The Ravenscraig-Shotton-Dalzell plan is on the table as an example of a method by which competition could be achieved and Ravenscraig perhaps safeguarded, but there are other alternatives.

Strathclyde regional council's industrial development committee has written to the Minister suggesting the possibility of a British Airports Authority-type solution, with different components within the single denationalised organisation. The Government should give balanced consideration to that proposal. It is not designed simply to safeguard Ravenscraig. It has been designed within the context of the Government's objectives for the British Steel Corporation to ensure a degree of internal competition that would perhaps stimulate management, as Ministers believed that the BAA solution would for that organisation. If it is good enough for that, we should not simply consider a monolithic transfer from public ownership to private monopoly ownership. In fairness, Ministers should consider other alternatives, and the new clause would provide the basis for that.

The many thousands of my constituents in Lanarkshire employed at the Ravenscraig steel works do not ask for special treatment. They are not interested in giving the hon. Member for Darlington and his Right-wing cronies the idea that they are coming with a begging bowl to the Treasury, the Department of Trade and Industry—or the Department of Enterprise—looking for a lifeline or a permanent subsidy. They want recognition of the achievements at Ravenscraig over the past few years. They want an appreciation of the fact that the Scottish steel industry has been transformed out of all recognition and is now one of the finest in Europe. They want that protected and continued in the future. That is a modest enough request to make of the Government. If the Government choose to decline or ignore that request, they will not be lightly forgiven.

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): The hon. Member for Hamilton (Mr. Robertson) is obviously well qualified to speak in this debate with his constituency interest and background in the steel industry, about which I was intrigued to hear for the first time. The mind boggles at the thought of the hon. Gentleman perhaps moving on, if he had pursued a career in the industry, to become chairman of the British Steel Corporation. He would probably have found himself doing a more valuable job than being a Front-Bench spokesman for the Labour party, however competent he may be at the job, unless his party performs better in the near future. If he had had a continuing direct interest in the steel business from a management point of view, I doubt whether he would have made the speech that he has just made about the possible future configuration of the industry.

I should like to deal with amendments Nos. 31 and 32, in the name of the hon. Member for Cardiff, West (Mr. Morgan), who was concerned about the position of Allied Steel and Wire Ltd. He chose a timely day to put forward an amendment about that company because its flotation was announced this morning. The purpose of the amendments is to seek to persuade the House that the Government should take away the 20 per cent. owned by British Steel and make it a Government stake, albeit held in trust for the benefit of the employees of Allied Steel and Wire Ltd.

I listened with care to the comments of the hon. Member for Cardiff, West. He was mainly concerned to protect Allied Steel and Wire Ltd. from what he perceived to be a threat to the future independence and commercial freedom of the company from the British Steel Corporation with its minority holding. I have no reason to believe that Allied Steel and Wire Ltd. is threatened by the BSC in the way that he suggests and I am certainly not persuaded by what he said about allowing the Government to have, in effect, a golden share in a company that has been in the private sector for some years. We shall deal with special or golden shares in the privatised BSC on a later amendment, but the hon. Gentleman will not be surprised to know that we are not tempted by the idea of taking a special share in a wholly private sector company, albeit one in which BSC has a minority holding.

I am attracted by the idea that the employees of Allied Steel and Wire Ltd. should have a stake in the company. Once again, the hon. Gentleman's chosen method, contained in amendment No. 32—in effect, to give a fifth of the company to the employees—is generous, but it goes over the top somewhat. Most of the employees already have a stake in the company. Most of them own shares in the company, and I trust that many of them will take the opportunity to increase their holding as a result of today's flotation. Generosity would be taken considerably further by, in effect, taking a fifth of the company away from British Steel and holding it solely for the benefit of the work force. We do not need to go so far in worker participation.

Mr. Morgan: I apologise to the Minister for having missed the beginning of his speech. I was in the Lobby reading his Department's press release regarding the new special share and employee share arrangements, as it had just been handed to me by a journalist. *[Interruption.]* I had not read beyond the seventh line when I was interrupted and told that the Minister had started his speech, but perhaps my hon. Friend the Member for Dagenham (Mr. Gould) would care to look at it.

Would the Minister take a more generous view of our amendment if he understood it to mean that the transfer from the Government holding to an employee holding could take place gradually over a number of years and involve employees paying for their shares through arrangements, which could be discussed in detail, to maximise the employees' holding in the company?

Mr. Clarke: I welcome the hon. Gentleman back to the Chamber. I can see no case for removing the 20 per cent. minority holding from the British Steel Corporation. I do not share the hon. Gentleman's fears about the way in which the BSC may use that holding with regard to Allied Steel and Wire Ltd. I also believe that there is already an adequate employee stake in the company. I heard what the hon. Gentleman said, but, as amendment No. 32 stands, there is no provision for the payment for those shares and

[Mr. Clarke]

I do not find the proposition any more attractive after the hon. Gentleman's comments. The flotation that has been announced today should be allowed to proceed. I do not believe that the company's position will be jeopardised if it proceeds without the benefit of amendment No. 32.

6 pm

Dr. Reid: Does the Chancellor of the Duchy of Lancaster consider that there are merits in the case advanced by my hon. Friend the Member for Cardiff, West (Mr. Morgan), particularly as the Chancellor said that his major objection was that, although he was not opposed to it in principle, the proposed formulation was too generous? Is it really too generous to give those workers a 20 per cent. share in the company when he is writing off the public debt and writing down the public dividend capital of the BSC by almost a half or even more before gifting it to the City? In comparison to that write-off, does not my hon. Friend's proposal lack generosity?

Mr. Clarke: With respect, the hon. Gentleman is making a false comparison. Although the hon. Member for Cardiff, West has rather spontaneously tried to modify his first proposition, on its face value amendment No. 32 involves removing a 20 per cent. holding of the BSC in Allied Steel and Wire Ltd. and giving it to the employees. That 20 per cent. holding has a substantial financial value which will emerge as flotation proceeds.

The hon. Member for Motherwell, North (Dr. Reid) has made a false comparison about what is proposed for the future financial structure of the privatised BSC. We are not writing down debt. We are ensuring that the new privatised company has a balance sheet that reflects its present-day position. We are coping with the accumulated losses that have appeared on the balance sheet from years past when the corporation unfortunately traded at a very heavy loss. There is no cash involved in that and we are not writing off real money. The books will take account of the fact that, unfortunately, during the years of nationalisation the BSC lost a great deal of money on its trading account. That money still lies on the books, and obviously it cannot stay there if the company is to be privatised successfully.

We started this debate discussing new clause 1. We have had a particularly discursive discussion during which no particular theme has emerged, despite the fact that the vast majority of those who spoke were Opposition Members —Labour Members, Liberal Members or Scottish nationalists. That lack of theme has occurred because no one really agreed with the underlying purpose of new clause 1.

The hon. Member for Motherwell, South (Dr. Bray) is the prime advocate of the so-called Ravenscraig-Shotton-Dalzell proposal. He made it clear that he sees the proposal as one way of getting hold of more factual information which he hoped might support his proposition.

The hon. Member for Dagenham (Mr. Gould), who spoke from the Opposition Front Bench, and other Labour Members, out of a sense of courtesy, did not directly contradict the hon. Member for Motherwell, South. The hon. Member for Dagenham seemed to imply that he almost supported the new clause in so far as it was a technical matter asking for a report and some information. However, it became clear that no one really supports the underlying aim of the hon. Member for Motherwell, South.

The hon. Member for Dagenham confirmed that he believes that the BSC should remain a single entity. He is no more attracted by the idea of breaking up the BSC, either in the public or in the private sector, than Conservative Members. It is wrong to believe that there is widespread support for the idea of different configurations. I hope to reveal that it is wrong to believe that the future of Ravenscraig will benefit from vaguely floating ideas that one might restructure the company and privatise it as two companies which, in effect, is what the hon. Member for Motherwell, South was advocating.

Mr. Gould: I am certain that the Chancellor of the Duchy of Lancaster is sufficiently intelligent to understand that a single entity in public ownership is a different proposition from a single entity in private ownership. That is essentially the point that we have made. It is also the point of new clause 1. Of course we support new clause 1 in the sense that it provides a straightforward and unobjectionable mechanism whereby the Government can learn and then inform Parliament about the basis on which they will reach a decision on the form that the British steel industry should take in private ownership. That seems to be a very modest request and the simplest of requirements of good government in that area.

Mr. Clarke: I will consider what I believe to be wrong with the mechanism in a moment. Before the hon. Gentleman retreats and considers new clause 1 as a purely technical amendment after he and his Labour colleagues have spent two and a half hours debating the issue, I want to state that, of course, I understand the difference between a single entity in public ownership and one in private ownership. I accept that the hon. Gentleman would prefer it to remain in public ownership. I remain quite convinced—and the hon. Gentleman has never contradicted me—that, if it is to be privately owned, the hon. Gentleman prefers it to be a single entity.

It is obvious that that is the view of all Labour Members, apart from the hon. Member for Motherwell, South, who continues to advocate what I regard to be a complete red herring—namely, the so-called Ravenscraig-Shotton-Dalzell proposal.

Dr. Reid *rose*——

Mr. Clarke: I will give way to the hon. Gentleman shortly.

The hon. Member for Motherwell, North underlined the fact that the hon. Member for Motherwell, South is not putting forward a truly Scottish option. The hon. Member for Motherwell, North rightly explained that Clydesdale is not included in his hon. Friend's proposal.

The Ravenscraig-Dalzell-Shotton option is not entirely Scottish. To make it a credible proposition, the hon. Member for Motherwell, South must try to annex Shotton, which is in Wales, to the other Scottish interests. I know that Arthur Young's report stated that the headquarters of the new entity might be situated in Wales. As we have heard from the hon. Member for Cardiff, West, that does very little to assuage Welsh fears, because no one in Wales or in the BSC outside Motherwell sees the slightest future in the Ravenscraig-Shotton-Dalzell

proposal, which is the underlying aim of the new clause. That proposal is a complete red herring in the wider debate.

Dr. Reid: Neither my hon. Friend the Member for Motherwell, South (Dr. Bray) nor I, or anyone else, has ever claimed that the proposal is motivated by nationalism or national sentiment. The configuration has been put forward on the basis of industrial sense and commercial viability. It is a red herring to suggest that somehow that shows a lack of support, because we have never claimed it as a Scottish option. For the record, I want to correct the Minister. I support my hon. Friend the Member for Motherwell, South and his proposal. Even if we stand in splendid isolation, if the proposal offers a solution for the long-term security of Ravenscraig, I am proud to support the proposal.

Mr. Salmond *rose*——

Mr. Clarke: It seems that the proposal has the support of the hon. Member for Motherwell, North and it appears that the hon. Member for Banff and Buchan (Mr. Salmond) is about to volunteer his support as well. However, the hon. Member for Cardiff, West opposes the proposal and the hon. Member for Dagenham will not say what he thinks. I want to consider what I believe is wrong with the idea of privatising British steel other than through a single entity.

Mr. Salmond *rose*——

Mr. Clarke: It is always a mistake to guess at the grievances of the Scottish nationalists. I had better hear what they are.

Mr. Salmond: As the Chancellor of the Duchy of Lancaster is aware, I should be delighted to set out the Scottish option if I am allowed to do so. With regard to the Ravenscraig-Shotton-Dalzell option, the Minister must not invest in the new clause something which does not exist. If people believe that there should be a non-monopolistic privatisation of the BSC, they are entitled to support new clause 1, whether they believe in the Ravenscraig-Shotton-Dalzell option or any other for privatising the BSC. Both I and my party believe in that.

Mr. Clarke: The Government remain convinced that the corporation should be privatised as a single entity. If anyone is suggesting that it should be broken up for privatisation, they are at liberty to put forward the configuration that they would prefer in different companies. As far as I am aware, the Ravenscraig—Shotton—Dalzell configuration is the only one that has ever been suggested. If anyone has some alternative way of dividing the corporation, it has not been advocated this afternoon.

The reason why I believe the corporation should remain as one—and we examined a huge variety of options before taking the decision to come forward last December with the privatisation proposals—is that any change in its shape will dismember an interdependent business—which has been built up very successfully by the management and work force in recent years—which has begun to show considerable commercial success. It would throw the future of all parts of the business into considerable uncertainty and set back the achievement we have seen so far, whereby the last published half-year figures showed £190 million profits. Everybody obviously expects those profits to be maintained.

To divide up the corporation and to cut out of it and privatise the Ravenscraig-Shotton-Dalzell operations alone would be extremely difficult. The resulting company would have no kind of track record and its commercial outlook would be uncertain. It would have considerable difficulty in raising investment capital and it would be an extremely weak competitor against the rest of British Steel, let alone competitors in the rest of Europe.

The hon. Member for Motherwell, South spoke of the history of what he described as the competition for survival between steel plants, and of the pressures which are placed on Ravenscraig. Competition to reduce costs and increase efficiency is an essential part of the steel business, especially in present circumstances. I do not see how those pressures would be reduced, because the proposed new RSD company would be pitched into difficult competition against the remainder of British Steel and other European competitors.

I believe that such a company would be impossible to float. There are those in Scotland who believe that a type of trade sale to Scottish interests might be arranged. I am doubtful about the prospects of raising any capital for a company having no track record of any kind.

Having listened to the hon. Member for Motherwell, South, who is very erudite and who surrounds his arguments with as much information as he can, I still believe that what has been conceived is a political structure for part of the industry. The origins of the argument centre on fears about Ravenscraig. In order to make a credible configuration for a company that might protect Ravenscraig, there has been devised the notion of Ravenscraig-Shotton-Dalzell as some kind of industrial entity. It is not the Government who are obsessed with the Welsh trade unions, and so on. That configuration has been devised as the best that could be produced—leaving out other parts, because the trade unions are opposed to their inclusion. The hon. Member for Dagenham will not support it because he knows that the Welsh trade unions are against it. Clydesdale Steelworks is not included because the hon. Member for Motherwell, South knows that the Scottish trade unions are against it. It is the Opposition who are getting knotted over the trade unions. They are trying to produce a political structure which they believe will improve their position vis-a-vis Ravenscraig.

The whole history of steel, as of other industries, shows that once one starts making political decisions about the structure of the industry, about where investments should be made, and about the future, the more one causes difficulties, closures and disruption. We believe that privatising British Steel as a single entity is best for British Steel and for all those who work in it.

Dr. Bray: The Minister is quite inaccurate in his claim about the origins of that idea. The first time that I remember hearing about it was—if the Minister insists that I name names—from Jake Stewart, chairman of the flat products group of the British Steel Corporation. It was later argued for in the presence of Bob Scholey by the managing director, who is a Welshman but whose name I momentarily forget.

[Dr. Bray]

6.15 pm

The argument when Gartcosh was being closed was not that Ravenscraig was being robbed of a finishing mill but that the originator was being given a newer, more modern and more diversified finishing mill at Shotton. BSC itself planted the idea and made the point that it was an integral, sensible operating unit.

Mr. Clarke: I shall take that point up with Jake Stewart when next I meet him, if indeed he was the originator. However, Ravenscraig is still supplying Shotton. British Steel, when privatised as a single entity, will continue to have that link between Ravenscraig and Shotton.

Whatever the origin of the suggestion—and I accept that the originator may have been Jake Stewart, as the hon. Gentleman said—it has nevertheless been put forward by the hon. Member for Motherwell, South as a political solution to what he perceives to be the problems of Ravenscraig. He has sought to cloak it with more credibility by citing, for example, the Arthur Young report. What I regret about this debate is that, as it has progressed, it has depended upon an attempt by the hon. Member for Motherwell, South and some of his hon. Friends to continue casting doubts on the assurances that we have given about the future of Ravenscraig. The Arthur Young report seeks to diminish the calculations made by British Steel and its expectations as to the future of Ravenscraig. I do not see the point of doing that.

What ought to be regarded as the best news from the steel industry for people in Scotland for many years is British Steel's commercial estimates of its future steelmaking needs in Scotland. Its best estimate, subject to market conditions—and those are not weasel words; they are essential and sensible words which the management of any corporation would use—was that steelmaking at Ravenscraig would be required for at least another seven years. It followed that the output of the Dalzell plate mill would be required for as long as the output from Ravenscraig continued—another seven years.

That is a much better description of the prospects of an industrial plant than the managers of most industrial plants, north or south of the border, will usually give. The situation will always depend on continued commercial success, continued efficiency, and the kind of efforts which have been achieved by the management and work force at Ravenscraig in the past.

The best estimate is that at least seven years' more steelmaking is required. Beyond seven years, as was rightly pointed out by my hon. Friend the Member for Darlington (Mr. Fallon), everything will depend upon the state of the steel market at the time and on the performance of BSC, including that of Ravenscraig. An underlying myth in much of this debate is that politicians can override those factors and give political guarantees extending beyond seven years—and beyond the best estimates of the British Steel Corporation.

Mr. Malcolm Bruce: Is it not a fact that but for political guarantees, of which the Secretary of State for Scotland has boasted to the House on many occasions, Ravenscraig would not be there to provide a seven-year guarantee at the time when privatisation was formulated? For Scottish Members of Parliament not to find the Minister's assurance credible is not unreasonable, given that we know what the management of British Steel wanted to do before.

Mr. Clarke: The hon. Member for Gordon (Mr. Bruce) refers to previous assurances given by my right hon. and learned Friend the Secretary of State for Scotland that, again subject to market conditions, three years' output of steel was expected about three years ago. In the present situation, that estimate has improved. The chairman of BSC expects that seven years' output will now be required from Ravenscraig. There are no such things as political guarantees. The history of British industry, particularly during the last Labour Government, shows that when politicians claim that they can, by political undertakings, wave away the dictates of the market and the requirement to be competitive and give guarantees that a particular industrial operation will, come what may, continue, such claims are not worth the paper on which they are written or the voices by which they are uttered.

We have here a much more copper-bottomed reassurance for the people of Ravenscraig. The commercial judgment of those managing the corporation is that the mill will be required to make steel for another seven years. The Opposition are so put out of countenance by the estimates made by the chairman of BSC last autumn that they are trying to fan the flames of fear in Ravenscraig. The Opposition are attempting to imply that the situation is not what it appears to be and is not such a reflection of good performance as I have said. The hon. Members for Motherwell, North and for Mortherwell, South are trying to imply that the privatisation of a separate unit comprising Ravenscraig, Shotton and Dalzell will offer Ravenscraig a better future. I do not believe it. A small splinter company would have a difficult time after being privatised. There would be difficulty in raising the capital and it would be exposed to a much more difficult competitive climate.

Dr. Reid: As the Chancellor wishes to avoid weasel words, let me give him the opportunity to give a straight answer on the commercial guarantee. I ask him for no political guarantee. Is it the right hon. and learned Gentleman's understanding, in accordance with the statement of 3 December and the commercial guarantee, that there is no guarantee of a hot strip mill at Ravenscraig employing 1,200 people beyond 1990? Is that his understanding as well as mine?

Mr. Clarke: The hot strip mill was, as I made clear in December, not included in the forecast of BSC's steel-making requirements. BSC's best commercial estimate is that it will require steel making at Ravenscraig for at least seven years. At the moment it has surplus capacity in the hot strip mill and BSC has made it clear that it will not reconsider its future, or that of any other hot strip mill, until 1989. Beyond that, it depends on the requirements of hot strip.

I see cheery looks from the hon. Member for Great Grimsby (Mr. Mitchell), delighted to discover that neither I nor British Steel can give the same guarantee for the hot strip mill. Presumably the Labour party will guarantee four hot strip mills in Britain for seven, 10 or 15 years, whether anybody wants them, regardless of cost, regardless of the advantage that that may give to our overseas competitors and regardless of the cost that that may impose on British steel users. I do not believe it. The

Labour party is seeking to imply that it will give a more copper-bottomed guarantee to Ravenscraig about the future of steel making and hot strip. It is not for me to judge, but I do not believe a word of it. It is not within the Labour party's capacity to guarantee the future of steel making, the hot strip mill and everything else at Ravenscraig, regardless of commercial and market considerations.

Dr. Bray: Can the Chancellor name any other works that have survived simply as a slab producer? Will he bear in mind that 70 per cent. of the slabs produced at Ravenscraig go into the hot mill hot. If they have to be transported 250 miles to south Wales before being rolled into hot rolled coil, how can they possibly be hot?

Mr. Clarke: The hon. Gentleman regards himself as an alternative management for BSC. He spends his entire time lecturing the House and, when he can, BSC's management about the plant's configuration, where the products should and should not be made, where they should be sent, and so on. If I had to choose between the opinion of Bob Scholey and his colleagues on the board and their managers and that of the hon. Member for Motherwell, South, I know which I would prefer.

BSC expects steel making to continue at Ravenscraig for at least seven years. Whether the hot strip mill will continue all that time, we know not. However, BSC has made it clear that it will not close that this side of 1989. The future of Ravenscraig depends on the continued commercial success of the kind that it has achieved so far. The Opposition do not have it within their power to give political guarantees that extend beyond that.

The argument that is being used by those, other than the hon. Members for Motherwell, North and for Motherwell, South, who seek to claim they have a genuine interest in looking at alternative configurations, means that they are worried about our privatising BSC as a monopoly. When that argument is put forward, as it was by the hon. Member for Dagenham, it carries the slight implication that he would therefore contemplate breaking it up, but he never quite acknowledges that.

When talking about the need for competition and whether the privatised BSC might constitute a harmful monopoly, we are principally talking about the interests of consumers as well as those inside BSC. It is necessary to test that argument primarily by looking at the market within which BSC operates. At the very least, it is a European-wide market because we are in the European steel regime. We are not just looking at the United Kingdom market. If we were, the Ravenscraig-Shotton-Dalzell argument would not improve things much, because the RSD group would be the only producer of coated steel within the United Kingdom market. Therefore, it would not immediately inject any added competition into the United Kingdom market, unless and until British Steel started competing with it in coated steel by alternative routes.

The competition argument was used by the hon. Member for Dagenham, and it is relevant. It is no good dismissing it and saying that we are not just talking about the United Kingdom market for steel. We are looking at the European-wide market for steel, the competitive pressures within that market and the kind of choice that consumers have as things stand. As has already been mentioned, and it cannot be dismissed, 40 per cent. of steel is imported into Britain, so there is no doubt that United Kingdom consumers have a choice about steel. About one third of BSC's entire production is exported. It sells only about two thirds of its production in the British market.

When BSC is privatised, it will be the dominant British producer, but it will not have a competition-free hold on any part of the market, whether in the United Kingdom or in the rest of Europe. It is our intention to proceed to a cartel-free market. We are anticipating the end of European quotas. In the new situation that will emerge, once we have got rid of the excess capacity and quotas, there will be no legitimate grounds for feeling, on grounds of competition or anti-monopoly policy, that there is anything wrong with privatising BSC as a single entity which will compete successfully in the kind of market that will then emerge.

Mr. Salmond: The Chancellor says that having two or more companies in the steel market would not introduce competition if not all their production was in the same area. Is not that argument rather like saying that Rowntree does not compete with Cadbury because Cadbury does not produce KitKat?

Mr. Clarke: I thought that I was at last coming to the House of Commons to talk about something other than chocolate. The market for steel is not quite the same as the market for chocolate. There is an altogether more international market in steel, whereas chocolate has a particularly domestic market. The British taste in chocolate is sharply different from that in the rest of western Europe. Steel has at least a European-wide market. In fact, it is international, because American steel comes into the continent as well.

The Opposition cannot be serious in saying that they are pressing alternative configurations because of the need for competition. I am not quite sure what they are pressing and this is not the time to take that further. There may be more enlightenment on Third Reading. The hon. Member for Dagenham would not say what he was in favour of, other than hinting that on competition grounds he would like some kind of regulatory body of steel, rather like Oftel. He has floated such ideas once or twice recently.

If we are talking about how to privatise BSC and how to provide the competition to which a great deal of attention has been devoted, I should be interested to know where the Labour party has got to. It has not yet made it clear whether BSC is one of those companies that it proposes to renationalise if it returns to power. We are told by the hon. Member for Great Grimsby, among others, that the Labour party is searching for a new form of public ownership. It does not seem yet to have found that new form. It is working on it hard. Not only has it not decided what form of public ownership it will have, but it has not decided which industries will be in public ownership. If we had a new, enlightened—dare I say—Social Democratic Labour party, it might go back to square one and ask whether it needs to have public ownership of any of the commanding heights of the economy at all. At the moment it is engaged in a fruitless search for some form of public ownership and it cannot even decide on the candidate industries.

Mr. Michael Brown (Brigg and Cleethorpes): I think that I can help my right hon. and learned Friend on the point of confusion because last night, with the hon. Member for Dagenham (Mr. Gould), I heard a speech

[Mr. Michael Brown]

given by the honourable Roger Douglas, the Minister of Finance in the New Zealand Labour party. I saw the hon. Gentleman taking copious notes. I suspect that he listened to this small portion of the speech where the Minister said:

"I would say to those countries which choose for domestic political reasons to ignore economic realities, that the results of your subsidy and protectionist policies are that your poor are poorer"——

Mr. Deputy Speaker: Order. What does this have to do with new clause 1?

Mr. Brown: I am trying to account for the Opposition's confusion. The hon. Member for Dagenham (Mr. Gould) obviously realises that he will——

Mr. Deputy Speaker: Order. If there is confusion, the hon. Gentleman is making it worse by bringing in extra matters.

6.30 pm

Mr. Clarke: There is confusion on all fronts about whether Opposition Members, if they support the new clause, want to divide British Steel into more than one company when it is privatised, whether they would renationalise it if it were privatised, how they would regulate it if it were nationalised, whether they want alternative configurations, and whether they want Ravenscraig-Shotton-Dalzell or some other configuration. No light was shed on any of those matters. The hon. Member for Dagenham regards it as a narrow, technical clause. It is harmful also on that ground. It requires us to give information about the many options that we considered before we proposed privatisation, as I said in my statement of 3 December.

We resist the new clause and the suggestion that we produce the information and the kind of report for which new clause 1 asks because the contents of the report will be of huge value to British Steel's competitors. It would involve disclosing information about British Steel's future business strategy, the kind of market share that it envisages getting for its products, where costs lay and how they are incurred in different parts of British Steel. Not only the British Steel Corporation but any other company, whether nationalised or in the private sector, would strongly object to being required publicly to produce—in this case, in the House of Commons—the kind of information that the hon. Member for Motherwell, South plainly contemplates will be produced if the new clause is carried. Although the Opposition Front Bench treats the new clause as a minor technical matter, if it is inserted in the Bill it will do great commercial damage to the British Steel Corporation while it remains nationalised and when it is privatised.

Having listened to the debate, the Government remain persuaded that the British Steel Corporation should be privatised as a single entity. It is in the best interests of the corporation, its work force, customers and the taxpayer to do so. Because we remain so convinced, and having looked closely at the options, I invite the House to reject the new clause if it is pressed on any ground.

Mr. Maxton: The Chancellor of the Duchy of Lancaster concluded by saying that he did not wish to give information. That is his usual line. He does not want to give information to hon. Members, but he is quite happy to give it to the press. Just before the debate the Department of Trade and Industry released a press statement on the Bill, announcing two minor concessions. The Chancellor and his junior Ministers are happy to give information to the press before they give it to the House of Commons. The Minister could have given the information when our amendments were moved. That would have been the respectable, proper way to do it. It is typical of the Minister. He does not like to give information.

It is nice to see the Chancellor here at all during consideration of the Bill. In Committee he was notable for his absence. He is winding up this debate, not because he has any particular interest in Ravenscraig or because he believes that the new clause is important, but because he wants to speak early in the debate, then go and have his usual good dinner and big cigar and not have to bother with any later speeches. Any Minister and any Government with any sensitivity to the steel industry and to what the new clause is about would not have put forward the Chancellor or anybody connected with the Department of Trade and Industry to speak in this debate.

The Secretary of State for Scotland should have replied on behalf of the Government. It was obvious that it was to be a Scottish debate. It was to be about the future of Ravenscraig, not about the overall nationalisation of the British Steel Corporation. Where is the Secretary of State for Scotland? I know where he is. Tonight, Scotland are playing Colombia at Hampden park. Yet again, the Secretary of State is desperately trying to retrieve the political position in Scotland by going to Hampden park, as he did on Saturday, without, of course, informing the relevant hon. Member of his presence on that occasion. I consider that to be extremely rude and offensive.

Mr. Richard Holt (Langbaurgh): Will the hon. Gentleman give way?

Mr. Maxton: I shall not give way. It is a short debate.

Mr. Holt: On Hampden park?

Mr. Maxton: I shall give way on Hampden park.

Mr. Holt: Does the hon. Gentleman accept that an Opposition Front-Bench spokesman was in my constituency on Sunday, attending the opening of the new Catholic cathedral, and did not have the courtesy to let me know?

Mr. Maxton: I do not wish to go down that route. Three Conservative Members were in my constituency on Saturday. The only one who bothered to inform me was the Prime Minister, and she did so on Monday. That does not show a great deal for what Conservative Members have to say.

Mr. Fallon: Will the hon. Gentleman give way?

Mr. Maxton: No, I shall not give way. We have listened to a confused speech from the hon. Member for Darlington (Mr. Fallon). He spends most of his time attacking Scotland and all that is in Scotland. I see no reason why we should willingly allow him to speak in any debate. Obviously he will take part in debates, but we shall not give him an opportunity. I make no apology for that.

The new clause presented an opportunity to the Scottish Office Minister to tell us what guarantees he is prepared to give Ravenscraig. The Chancellor and his Ministers use the phrase "the future of steel making". They

do not talk about the hot roll mill or anything like that. They talk only about steel making. As it stands at present, British Steel Corporation's investment programme is a timetable for closure. It is not a guarantee for the future. We are seeking, more from the Scottish Office than from the Department of Trade and Industry, a guarantee on the future of the corporation.

As my hon. Friend the Member for Hamilton (Mr. Robertson) said, the Tory party conference was held in Scotland last week. It was quite a remarkable occasion. It is best compared to the French aristocrats gathering in English country houses after the 1789 French revolution, desperately telling themselves that the revolution had not taken place and that, with the help of the English armies, their wealth and lands would soon be restored to them. At the conference, members of the Conservative party tried to prove that a few extra votes at Edinburgh and winning one Stirling seat by one vote from an independent candidate meant that the fight back had begun. They failed even to mention the loss of one of their five out of 66 seats in Glasgow and the continuing decline——

Mr. Fallon: Let us have a vote.

Mr. Maxton: I shall refer to steel.

Mr. Fallon: On a point of order, Mr. Deputy Speaker. I am completely at a loss to understand what the hon. Gentleman's arguments have to do with new clause 1. Why has the hon. Gentleman managed to attract only six Opposition Members to the debate? What will he do with the new clause? Will he press it to a vote?

Mr. Deputy Speaker: Order. I am sure that the hon. Gentleman is about to refer to the new clause.

Mr. Maxton: I am about to refer to the new clause and, more particularly, to what it is about, which is the future of Ravenscraig. The closure of Ravenscraig is of prime importance to the political future of Scotland. That is what it is all about. *[Interruption.]* I know what the new clause is about. It is an opportunity for debate. That is quite clear. Therefore, I am entitled to make some reference to it. Conservative Members hate to talk about their disastrous political future and presence in Scotland. They know that perfectly well. They have lost election after election. If they cannot give a guarantee to Ravenscraig, they "ain't seen nothin' yet" in terms of what will happen to the Tory party in Scotland. That will be the end of the Tories.

Ravenscraig has become a symbol for the industrial present and future of Scotland. It is no longer just about steel making. Ravenscraig's closure would be, not just another industrial closure to add to the already appallingly long list that Scotland has suffered since 1979, but a psychological body blow to the whole Scottish economy. Confidence would be lost. There would be disastrous unemployment throughout Scotland, such as exists in my hon. Friends' constituencies at present. That is why the new clause has been tabled. I am displeased that the Chancellor of the Duchy of Lancaster replied to the debate, rather than even the Minister of State, Scottish Office, because we want long-term guarantees on Ravenscraig's future, not those that we have had so far.

Mr. Kenneth Clarke: If that was the purpose of the debate, why did no hon. Member ask for those guarantees until I replied? The hon. Gentleman has nothing to say on the new clause, which is about privatisation of the industry, whether as a single entity or not. Having sat here for three hours, the hon. Gentleman finally decided what the new clause might be about and what his opinion was, but so far he has not addressed himself to one solitary subject raised by the hon. Member for Motherwell, South (Dr. Bray).

Mr. Maxton: If the right hon. and learned Gentleman had bothered to come to any of the Committee sittings, or even to sit at the back of the Committee Room and listen to the debate, or had managed to read any of the Committee's reports—which, obviously, he has not bothered to do—he would know that Ravenscraig's future has been of concern. He should not suggest that my hon. Friend the Member for Motherwell, South (Dr. Bray) is not concerned about Ravenscraig's future.

Dr. Reid: On the subject of arguments that have been missing, perhaps my hon. Friend would like to give some thought to the lack of argument by the Chancellor of the Duchy of Lancaster on competition, which we argued would be enhanced by the new clause, and in particular his bizarre boast that, because we have 40 per cent. imported steel, consumer choice has increased. It is rather like defending the invasion of Poland on the basis that the Poles had someone different with whom to drink.

Mr. Maxton: My hon. Friend's analogy is apt, and amusing. He is right.

The Chancellor of the Duchy of Lancaster—the great believer in market forces, the use of the market place and all things to do with privatisation—spent his whole speech defending the monopoly. That was remarkable.

We are concerned about Ravenscraig because it has done everything that the Government wanted it to do. Conservative Members have talked about efficiency and competition. Ravenscraig has reduced production costs, increased productivity and shed so-called surplus labour and, rightly or wrongly, it continued to work during the miners' strike. Ravenscraig has become profitable. The grave danger is that Ravenscraig can be destroyed by its own efficiency.

One of the things that Ravenscraig does better than any other part of the steel industry is to produce highly specialised steels, such as the grain-oriented steels for the electricity industry, which no other company can produce with any profit. Those types of steels are expensive to produce and do not yield the large profits that flow from other mass-produced steels. The danger is that Ravenscraig, by being able to produce such steels, can be made to appear unprofitable in the market place and therefore liable for closure. A privatised industry might believe that it is more profitable to close Ravenscraig than to keep it open, whatever its profit levels and productivity. Unless Ravenscraig can show that it can make more profit than the £100 million that closure would produce, it might be easier for the private sector to close it.

We have not had guarantees from the Government about Ravenscraig. Obviously we shall not get such guarantees from the Secretary of State for Scotland, or even from the Chancellor of the Duchy of Lancaster. That appalling indictment will be visited upon the few Tory politicians left in Scotland. The day that Ravenscraig closes, they will be in deep trouble. Scotland will make its electoral decision at the next general election and even the

[Mr. Maxton]

Minister of State, Scottish Office—the hon. Member for Galloway and Upper Nithsdale (Mr. Lang)—will lose his seat. We do not want to see that——

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): We do.

Mr. Maxton: There are grave dangers in having no Tories left in Scotland. That would put the Union at risk. Even now the Government should consider giving guarantees on Ravenscraig's future, which so far they have dismally failed to do.

6.45 pm

Dr. Bray: My hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) was perhaps a little uncharitable to the Chancellor of the Duchy of Lancaster when he suggested that it was the thought of the right hon. and learned Gentleman's dinner and cigar to which we owe his presence. I assure the right hon. and learned Gentleman and the House that I shall not keep him long from them.

The hon. Member for New Forest (Mr. McNair-Wilson) referred to the ruthless policies of the British Steel Corporation in concentrating production on five sites. That proposal was originally put forward in the Benson report in the 1960s, before the nationalisation of steel, so the hon. Gentleman's friends in the private steel industry were behind that move.

The Chancellor of the Duchy of Lancaster powerfully endorsed the structure, as we dreamt it up in 1966, of the nationalised steel industry. As one of the Ministers responsible, I am flattered by the right hon. and learned Gentleman's endorsement of that structure, but I am not entirely persuaded that, after more than 20 years, we do not need to take a further look at it, in view of the different regime in which it will operate in the private sector.

The right hon. and learned Gentleman said that the Ravenscraig-Shotton-Dalzell company would be difficult to float, but my advice is to the contrary. There would not be difficulties in financing it. It is not big enough to float on the stock exchange immediately, but the financial institutions would accept it.

The right hon. and learned Gentleman said that no other proposals to split off bits of BSC had been received, and he was right. That is what I expected. My hon. Friend the Member for Cardiff, West (Mr. Morgan) said that there was some fear that the Ravenscraig-Shotton-Dalzell solution would open a Pandora's box, with all the finishing plants wanting to spin off from it. That is not a danger and there has been no evidence to that effect.

The Chancellor of the Duchy of Lancaster said that it would be difficult for the RSD group to survive. Another reaction is outrage at the thought that it should romp off with some of the most profitable bits of the BSC, leaving BSC without any coated sheet capacity. I do not think that the group would have difficulty in surviving, but it would make sense, in terms of marketing in Europe, to form wider links, just as BSC will do. One difficulty in discussing this matter has been that the moment one starts talking about steel companies in Europe, questions are asked about the United Kingdom Government's attitude, and so far we have not been able to offer any assurance. If Ministers could offer even a glimmer of interest privately, it would be possible to put forward practicable arrangements to assure the viability of Ravenscraig-Shotton-Dalzell.

The right hon. and learned Gentleman said that we were asking BSC to produce confidential information which would prejudice its competitive position with other steel companies. The most important, sensitive performance measures in steel companies, and steel works, are collected by the International Iron and Steel Institute and are published. Therefore, it was possible for the Arthur Young report to produce its argument, which has not been disputed by the right hon. and learned Gentleman or BSC. A further report might convince Ministers that that was a viable solution that would solve a number of their problems.

We met the Chancellor of the Duchy in July and were, I think, the first group of people outside the Department whom he had met since taking office in the Department of Trade and Industry. At that meeting, he said engagingly that he did not really know much about the steel industry, but that he was anxious to learn. He said that he was more concerned about getting the structure of the steel industry right than in privatising it—there was no hurry to do that. It was therefore a surprise when a few months later he said,

"By the way, the structure is the same, but we are going to privatise the industry."

In the debate today, the right hon. and learned Gentleman showed some dangerous signs of beginning to learn something about the industry, of taking an interest in and asking some of the right questions about the future of the structure of the industry. In the hope that that process will be carried further, I beg to ask leave to withdraw the motion.

Mr. Deputy Speaker: Is it your wish that the new clause be withdrawn?

Hon. Members: No.

Question put, That the clause be read a Second time:—

The House divided: Ayes 14, Noes 253.

Division No. 306] **[6.50 pm**

AYES

Alton, David	Skinner, Dennis
Beith, A. J.	Steel, Rt Hon David
Campbell, Menzies *(Fife NE)*	Thomas, Dr Dafydd Elis
Carlile, Alex *(Mont'g)*	Wallace, James
Fearn, Ronald	Wigley, Dafydd
Jones, Ieuan *(Ynys Môn)*	
Kennedy, Charles	Tellers for the Ayes:
Michie, Mrs Ray *(Arg'l & Bute)*	Mr. Malcolm Bruce and
Salmond, Alex	Mr. Andrew Welsh.

NOES

Alexander, Richard	Bennett, Nicholas *(Pembroke)*
Alison, Rt Hon Michael	Bevan, David Gilroy
Allason, Rupert	Biffen, Rt Hon John
Amess, David	Biggs-Davison, Sir John
Amos, Alan	Blackburn, Dr John G.
Arbuthnot, James	Body, Sir Richard
Arnold, Jacques *(Gravesham)*	Bonsor, Sir Nicholas
Arnold, Tom *(Hazel Grove)*	Boscawen, Hon Robert
Ashby, David	Boswell, Tim
Aspinwall, Jack	Bottomley, Mrs Virginia
Atkins, Robert	Bowden, A *(Brighton K'pto'n)*
Atkinson, David	Bowden, Gerald *(Dulwich)*
Baker, Nicholas *(Dorset N)*	Boyson, Rt Hon Dr Sir Rhodes
Baldry, Tony	Braine, Rt Hon Sir Bernard
Banks, Robert *(Harrogate)*	Brandon-Bravo, Martin
Batiste, Spencer	Brazier, Julian
Beaumont-Dark, Anthony	Brittan, Rt Hon Leon
Bellingham, Henry	Brown, Michael *(Brigg & Cl'th's)*
Bendall, Vivian	Browne, John *(Winchester)*

Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chalker, Rt Hon Mrs Lynda
Chope, Christopher
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Cormack, Patrick
Couchman, James
Cran, James
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Fry, Peter
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Goodlad, Alastair
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Hill, James
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howarth, Alan *(Strat'd-on-A)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kilfedder, James
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
McCrindle, Robert
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maxwell-Hyslop, Robin
Mellor, David
Meyer, Sir Anthony
Mills, Iain
Mitchell, Andrew *(Gedling)*
Moate, Roger
Monro, Sir Hector
Morrison, Hon Sir Charles
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Neale, Gerrard
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Page, Richard
Paice, James
Patnick, Irvine
Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Rhodes James, Robert
Riddick, Graham
Rifkind, Rt Hon Malcolm
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rowe, Andrew
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Speller, Tony
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trippier, David
Trotter, Neville
Vaughan, Sir Gerard
Waddington, Rt Hon David
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Walker, Rt Hon P. *(W'cester)*
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Watts, John
Wheeler, John
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Tony Durant and
Mr. Richard Ryder.

Question accordingly negatived.

New Clause 5

CAPITAL EXPENDITURE PROJECTS

'(1) The successor company shall inform the Secretary of State of any proposed capital expenditure projects the cost of which exceeds £1 million, and in connection therewith shall make an annual forecast of the domestic prospects for steel demand in the five years from the end of the most recent financial year.

(2) The forecast specified in subsection (1) above shall be laid before Parliament by the Secretary of State as soon as is reasonably practicable.

(3) This section shall no longer apply when the successor company has ceased to be wholly owned by the Crown.'.—*[Mr. Austin Mitchell.]*

Brought up, and read the First time.

Mr. Austin Mitchell (Great Grimsby): I beg to move, That the clause be read a Second time.

It is clear from the previous debate that Ministers desire only to sell the British steel industry in one lump—to get rid of it and to run. Their only real desire to offer any help, encouragement, support or intervention in the industry —their only real aim—is to put up posters of Sir John Harvey-Jones looking as if he is about to burp and saying, "History is in the making." That is the Government's only preoccupation with the industry. They do not have any concern about competition. They have not learnt the lessons of privatising monopolies such as British Telecom. They have not thought of the consumer, or of whether they are privatising or just creating private sector monopolies, which seems the essence of the process.

New clause 1 asked the Government to give the reasons for and an explanation of what they are doing and why they are doing it. New clause 5 puts that more positively. We want to reinforce our concern about investment because that is crucial to the British steel industry. The new clause is limited by section 3 and ceases to apply when a successor company has ceased to be wholly owned by the Crown. So far as one can gather from the rumours and the

[Mr. Austin Mitchell]

gossip, the Government's aim is to get rid of the corporation as quickly as possible. In my view, that would be a mistake and a national tragedy.

We had to put the new clause in that form because of the nature of the Bill. It is essentially a shabby little Bill. It transforms the great British Steel Corporation into a company of a kind that might have fallen off the back of the register of companies, and allows the Government to flog it off. It is difficult for us to intervene in a Bill that is shaped like that.

However, our intervention is an attempt to impose concern about investment and a requirement on the company to report to the Secretary of State and to Parliament on the need for, the prospects of and the commitment to investment, and to set a precedent which we hope will be sustained after the Government have finally got rid of it and it has ceased to be wholly owned by the Crown. We are primarily concerned about investment in the industry.

Investment will not be the central preoccupation of private investors, who will want the maximum rate of return from the British steel industry, the highest level of dividends, and to be able to write off the investment over a period. They will not be concerned, in the way in which a public sector company or a nationalised industry is, with the long-term health and viability of the steel industry. They will not have the same concern as a nationalised industry about wider social and national interests or about the need to provide a cheap basic feedstock for manufacturing industry.

The key to the Japanese manufacturing success has been the provision of low-priced, high-quality steel to manufacturing as a basic raw material. We are anxious that such steel should be provided as cheaply as possible to our manufacturers as the base for manufacturing's healthy activity. We think that a nationalised framework is best for that. If the corporation is now to be passed to the investors, who will be concerned about getting a return and not about building up the industry, we believe that we can only sustain investment by requirements such as those set out in new clause 5.

However, Ministers do not seem to be interested in investment, although it is crucial if the industry is to remain viable, effective and competitive. We must have more investment in continuous casting. The proportion of our output derived from continuous casting is lower than that of most of our competitors. We have been slow to move into continuous casting. Japanese industry will be almost totally continuous casting within a short period. If we are to stay competitive, there must be heavy investment in that area. We also need investment in continuous annealing, which is further downstream. We need investment in plate and mini-mills.

We need considerable investment. The chairman of British Steel has estimated such investment at £300 million per year. However, he has not said for how long he intends to sustain that level of investment, or whether it will be a long-term commitment, which is what we should like. However, we are talking about a heavy level of investment to bring British Steel up to the level of our competitors and to allow for the new technology and new processes that are necessary in a rapidly evolving industry.

Without sustained concern for investment and a sustained process of investment, British Steel will lag behind, and be concerned only to exploit the market and pay out dividends, which is what happened when the steel industry was in private ownership. It had an appalling record of paying dividends—often out of capital—failing to invest and failing to keep up with processes. Investment can be sustained adequately only by nationalisation. Nationalisation has transformed the industry. The under-invested wreckage that was taken over by the Labour Government in the 1960s was transformed into an industry which has been developed on five integrated coastal sites, which is highly invested and which needs to keep up if it is to remain at the forefront.

All we ask, therefore, is that there be a continuing requirement on the company to report on its investment proposals, the role of that investment as a drive motor of the economy and the role of steel as an index of economic performance in this country, and to report also to Parliament. Although the Secretary of State's views may be prejudiced and, under this Government, ill informed, Parliament will then at least have the basis for forming its own judgments and testing and measuring the assumptions built into these investment projections by British Steel. This is therefore an attempt to maintain a continuing interest by Parliament and Government in the responsibilities that both have for the British steel industry.

The Parliamentary Under-Secretary of State for Industry (Mr. Robert Atkins): We had a long debate earlier without a vote and now perhaps we can have a short debate with a vote. I do not want to delay the House for long.

At present, under section 4(3) of the Iron and Steel Act 1982, the corporation is obliged to act in accordance with a general programme settled from time to time with the Secretary of State when carrying out any work which involves a substantial outlay on capital account. During the period between vesting and privatisation, the question of investment by the successor campany will be covered by provisions in the company's articles of association and a memorandum of understanding with the Secretary of State. These will broadly preserve the present arrangements for monitoring the company's investment programme at a strategic level. The Secretary of State will not intervene in the day-to-day management of the company. All such arrangements will cease once the successor company ceases to be wholly owned by the Crown. While the company is wholly owned by the Crown, the Secretary of State will be accountable to Parliament as the company's sole owner. As such, he will have ultimate control of the company and its strategic operations.

During the interim period before privatisation, therefore, the successor company will have to inform the Secretary of State of major capital projects. There is no need to incorporate the arrangements in the Bill. Such arrangements in previous privatisations have been handled perfectly satisfactorily in the same way.

We see no reason to provide in the Bill that the successor company shall submit a forecast of steel demand in the United Kingdom for the five years following the last financial year. If the successor company submits an investment proposal to the Secretary of State for approval, it will be required, under the memorandum of understanding, to submit a detailed investment appraisal.

Clearly, that appraisal would be subject to commercial confidentiality and would not be proper material for debate in Parliament. If hon. Members wish to obtain forecasts of future steel demand, there are sources other than British Steel which could provide those figures.

We do not therefore accept that there is a need to incorporate the provisions of the new clause in the Bill, and I ask the House to reject it.

Mr. Michael Foot (Blaenau Gwent): I find the Minister's answer totally unsatisfactory. I am very glad that my hon. Friend the Member for Great Grimsby (Mr. Mitchell) moved the new clause in the form that he did because he called attention to one of the essential weaknesses in the Bill which the Government are trying to push through and one of the most important features of the steel industry. I hope that this new clause will be passed and that the Government and the BSC will be forced to take it into account.

I believe that the evidence from all that has happened in past years underlines the need for that kind of action. I cite the steel works in my own constituency, which in the past two or three years has been fairly successful. The tinplate finishing plant in Ebbw Vale has been producing tinplate as successfully as any firm on the face of the planet, but all that was planned and was dependent upon investment that took place 10, 11 or 12 years ago. When we had the big rundown in general steel making, we carried through a big expansion of investment in the finishing plant, and that is why we have been able to carry through the advances there. We had an investment of £70 or £80 million in 1977 and 1978, and that is the reason for the proper conduct of the industry in Ebbw Vale at the present time.

We want the same sort of guarantees for the future, but the BSC, for its own reasons—I am not blaming it for this—has been carrying through fresh investments in Trostre and Velindre, not quite on the scale that it did with us 10 years ago, but looking to the future there. Naturally, when that tinplate investment took place elsewhere, we asked the BSC to give us guarantees that we should have fresh investment to sustain our tinplate production on a proper basis over the years ahead.

The people in the BSC are eager that that should happen. They told us that they planned a major expansion of the operation in Ebbw Vale in two or three years' time and that there would be other capital advances in the meantime. The tinplate operation in Ebbw Vale would be serving the nation for the next 10 or 20 years, and would at any rate have the basis of proper investment for the future.

Of course, if the industry had been left in public ownership, that is exactly what could have been done. The Steel Corporation could have given a valid, continuing pledge to the people in Ebbw Vale, who have managed a very difficult changeover with great skill and success. But, owing to the miserable, squalid measure that the Government have brought forward, and their allegiance to the ridiculous dogma of handing the industry over to somebody else, the corporation is not able to give that guarantee.

So, even at this late hour, I urge the Government to accept the new clause and the arguments put forward by my hon. Friend the Member for Great Grimsby so that at least some safeguards may be incorporated in this measure. It is quite absurd that that kind of guarantee should have been removed by the change in ownership. We are trying to rescue something so that the workers in the industry may have some proper guarantees for the future.

7.15 pm

Mr. Austin Mitchell: My right hon. Friend the Member for Blaenau Gwent (Mr. Foot) has put the case so powerfully that there is no need to repeat it. The Minister's reply was very unsatisfactory. It indicated that in all those hours in Committee he learned nothing, and that he did not know much in the first place. His reply was totally dismissive. Under private ownership, this industry had an appalling record of bad investment and disorganisation. It has now been passed back into the private sector, with no guarantees concerning the maintenance of investment, by a Government who tell us that they have no major proposals for investment in the steel industry at the present moment. It is no answer to our argument to hide behind the skirts of business confidentiality. We need to know that British Steel has plans for investment in continuous casting and all the other processes to keep up with the technology.

We need to be satisfied that this will be a healthy industry that will take Britain into the next century and provide a firm, strong base for the manufacturing sector—a manufacturing sector that it will be the responsibility of the next Labour Government to rebuild and that will be rebuilt on the basis of a powerful, competitive steel industry. That is our concern, and it can be met only by investment and continuous provision for investment through this new clause.

I ask my hon. Friends to support the new clause in the Lobby.

Question put, That the clause be read a Second time:—

The House divided: Ayes 202, Noes 235.

Division No. 307] **[7.20 pm**

AYES

Abbott, Ms Diane	Clarke, Tom *(Monklands W)*
Adams, Allen *(Paisley N)*	Clay, Bob
Allen, Graham	Clelland, David
Alton, David	Clwyd, Mrs Ann
Anderson, Donald	Cohen, Harry
Archer, Rt Hon Peter	Cook, Frank *(Stockton N)*
Armstrong, Hilary	Corbett, Robin
Ashley, Rt Hon Jack	Corbyn, Jeremy
Ashton, Joe	Cousins, Jim
Banks, Tony *(Newham NW)*	Cox, Tom
Barnes, Harry *(Derbyshire NE)*	Crowther, Stan
Barron, Kevin	Cummings, John
Beckett, Margaret	Cunliffe, Lawrence
Beith, A. J.	Dalyell, Tam
Bell, Stuart	Darling, Alistair
Bennett, A. F. *(D'nt'n & R'dish)*	Davies, Ron *(Caerphilly)*
Bermingham, Gerald	Davis, Terry *(B'ham Hodge H'l)*
Bidwell, Sydney	Dewar, Donald
Blair, Tony	Dixon, Don
Boateng, Paul	Dobson, Frank
Boyes, Roland	Doran, Frank
Bradley, Keith	Douglas, Dick
Bray, Dr Jeremy	Dunnachie, Jimmy
Brown, Gordon *(D'mline E)*	Dunwoody, Hon Mrs Gwyneth
Brown, Nicholas *(Newcastle E)*	Eadie, Alexander
Bruce, Malcolm *(Gordon)*	Eastham, Ken
Buchan, Norman	Ewing, Harry *(Falkirk E)*
Buckley, George J.	Fatchett, Derek
Caborn, Richard	Faulds, Andrew
Callaghan, Jim	Fearn, Ronald
Campbell, Ron *(Blyth Valley)*	Field, Frank *(Birkenhead)*
Campbell-Savours, D. N.	Fields, Terry *(L'pool B G'n)*
Canavan, Dennis	Flannery, Martin
Carlile, Alex *(Mont'g)*	Flynn, Paul
Clark, Dr David *(S Shields)*	Foot, Rt Hon Michael

Foster, Derek
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Gordon, Mildred
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Hardy, Peter
Hattersley, Rt Hon Roy
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
Mahon, Mrs Alice
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Dawn
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rooker, Jeff
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Vaz, Keith
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mrs. Llin Golding.

NOES

Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Body, Sir Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Burns, Simon
Burt, Alistair
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chalker, Rt Hon Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Cormack, Patrick
Couchman, James
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Fry, Peter
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Harris, David
Hawkins, Christopher
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Hill, James
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howarth, Alan *(Strat'd-on-A)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kilfedder, James
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Meyer, Sir Anthony
Mills, Iain
Moate, Roger
Monro, Sir Hector
Morrison, Hon Sir Charles
Moss, Malcolm
Mudd, David
Neale, Gerrard
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Page, Richard
Paice, James
Patnick, Irvine

Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Rhodes James, Robert
Riddick, Graham
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Speller, Tony
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trippier, David
Waddington, Rt Hon David
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Walker, Rt Hon P. *(W'cester)*
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Watts, John
Wheeler, John
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. David Lightbown and
Mr. Richard Ryder.

Question accordingly negatived.

Clause 1

Vesting of property etc. of British Steel Corporation in a successor company

Mr. Austin Mitchell: I beg to move amendment No. 2, in page 1, line 19, at end insert
'and shall remain thus owned in perpetuity'.

Mr. Deputy Speaker: With this it will be convenient to take the following amendments: No. 29, in clause 3, page 2, line 45, leave out from 'State' to end of line 49.

No. 30, in page 2, line 49, at end insert
'(1A) The proportion of the securities of the successor company which are allotted and subsequently issued in accordance with subsection (1)(b) above shall not exceed 20 per cent.'.

No. 12, in clause 6, page 4, line 13, after 'limit', insert 'of not less than one quarter'.

No. 13, in page 4, line 20, leave out 'first'.

No. 14, in page 4, line 24, leave out from beginning to end of line 48.

Mr. Mitchell: I have moved the amendment in the hope that the steady fall in the Government's majority, which was achieved by the brilliant arguments from this side of the House, will continue. The amendment deals with the basic principle whether British Steel should be privatised and will be better under private ownership or, as we believe, should continue under national control as a public corporation.

It is a basic argument whether British Steel should serve national, social and economic purposes for the nation, as it can do and does under public control, or whether it should serve primarily the interests of investors; whether its measure of success should be geared to its rate of profit. In our view, BSC should stay under public control and continue to serve those purposes which it has been serving so successfully over the years.

We argue that BSC's present success, which the Government tell us about and which British Steel itself points out in its advertisements on commercial television to prepare the way for privatisation, is due entirely to the fact that the company has been built up under public ownership. Only public ownership has allowed the amount of investment and expenditure that is required to keep steel going through the difficult periods that a cyclical industry always faces and allowed the British steel industry to develop into the successful industry that it is today. That is entirely the result of public ownership.

It is irresponsible to throw away those benefits and advantages as the Government propose to do in order to make a quick profit and seize on a window of opportunity for the sale. Fortunately, that action would be made impossible by our amendment, which allows the Government to achieve what they believe to be the benefits of privatisation. Those are the benefits of running the company commercially, of placing marketing imperatives on the company, and of freeing it from the shackles of Treasury control and interference by Ministers, who know so little about industry, and care less.

The amendment allows the company to be governed as a Companies Act company. The shareholder will be the Government of the day. In other words, we want, and we shall maintain, ultimate public control of the organisation. We draw the line there. The amendment requires the Government to keep the shares in perpetuity. Subsequent amendments, particularly amendment No. 29, stop the provisions in later clauses that allow the Government to sell off shares in the company.

It is sensible to draw the line there. What else can the Government gain by flogging shares that they have created in the company? They do not need the money. The Chancellor of the Exchequer has been insistent that he has money rolling out of his ears to give away to the wealthy, with £2 billion going to the top 5 per cent. of the population. As the Chancellor has that much money and the economy is doing so well, why do the Government need the much smaller amount that will be forthcoming from the sale of British Steel?

Not only do the Government not need the money, but there is the question of the cost of selling this corporation, as opposed to borrowing the money in gilts, which is the alternative. Privatisation is a form of public debt that is acquired by selling off assets belonging to the state. It is cheaper to sell gilts, taking into account the reduction of the value of the assets and the taxpayers' investment written off, and taking into account also the cost of privatisation—the advertising, the underwriting, and the advice given to the Government by self-interested parties in the City about how privatisation can be made more palatable and acceptable to them.

When all that is taken into account, the gains from privatising British Steel and selling the shares, as distinct from the Government borrowing in the normal way, are minimal. The answer is, "Do not sell." Our amendment allows the Government to get the advantages of the more commercial approach with British Steel, which they say they need, without the ultimate act of selling the shares to the public. It is a simple amendment along those lines.

The amendment brings us to the basis of the argument about privatisation. The Government are obsessed with ideology. Privatisation is not a matter of fact or any tenable arguments or propositions about commercial advantages. It is simply doctrine. The Government have the obsession of Lady Macbeth. They want to wash their hands of any involvement in industry and any control over

[Mr. Mitchell]

industry. Yet how can they do that with steel? The industry is basic to the economy. It is the basic raw material of manufacturing, and basic to the manufacturing strength and health of this country.

It is in the interests of manufacturing that steel should be provided as cheaply and efficiently as possible and of as high a quality as possible. That needs massive investment. Indeed, massive investment has been needed to get the steel industry to its present state. That scale of investment is likely to be forthcoming only from the state. It is an industry that is capital hungry, in a way that very few other industries are. It can be fed better by the state because the state does not have to ask for the same rate of return, thus forcing up the prices of the finished products and making our industry less competitive on world markets, in a way that is certain to happen with privatisation.

The Government are so obsessed with privatisation that they are putting themselves in the position of spivs or ticket touts, seizing on a brief window of opportunity, as if they were selling a perishable product, to get rid of it as quickly as possible. That is exactly what they are doing.

The opportunity has gone, though the effects linger on in steel production. The fall in the value of sterling in 1986, which the Chancellor neither wanted nor accepted, and resisted all the way, was forced on him by the rising oil price. It made British Steel, and much of British manufacturing, competitive. It opened our export opportunities in a way that the Government should have passed on to industry much earlier than they did, if they had had the economic sense to do so.

Steel has benefited from the growth of manufacturing that was provided by that fall in the value of sterling, but it has done so at a time when the Chancellor has killed the goose that has laid its golden eggs. He has riddled it with bullets, gone through it with a macheté knife, buried it and put a stake through its heart, and put garlic on the grave. Essentially, he has massacred that goose by letting the pound go up in a way that has been destructive to manufacturing industry.

This argument between the Prime Minister and the rest of the Cabinet seems to have dominated the public prints. Nobody seems to notice that they are arguing from the wrong hypothesis. Both accept some increase in the value of sterling. The only argument is whether it should be fast and out of all proportion, or slower and more moderate. Yet there has been an increase of 23 per cent. in the real exchange rate of the pound sterling against the deutschmark since the last quarter of 1986. Our steel industry, in order to be competitive in the face of such an increase in the value of sterling, could not, even if British steel workers began to work for free, eliminate the cost increase forced on it by economic policies of high interest rates keeping sterling artificially over-valued.

The Government are laying burdens and charges on the industry by power price increases, too. The 9 per cent. increase in electricity charges will be crippling for steel and many other industries. Having brought steel to the verge of privatisation, the Government can now impose charges on it to fatten up electricity for privatisation in its turn. So another window of opportunity has been closed and another burden on the steel industry added. It is another difficulty that will make the corporation a much less marketable proposition.

By July, probably 90 per cent. of quotas on steel production will have been taken off by the EEC. There will be almost unrestricted competition in the EEC then, and it can be guaranteed that other EEC countries will support their industries more generously than we shall, even if direct state aids are forbidden. Governments can manipulate to get around such restrictions, as the Italians have shown. So, even if there are no state aids, industries in other countries will be more generously supported than will ours, through transport subsidies, redundancy payments and other indirect means of state support with which our Government are much meaner than comparable Governments in the EEC. So another window of opportunity has been closed.

There is a fourth closed window, in the sense that other industries are now going through the modernisation process and shedding labour in the way that British Steel pioneered. They will catch up. The Germans may be facing difficulties now, but they—Thyssen, for instance—are rapidly slimming down to a highly competitive state, the more so as the deutschmark has become under-valued against the pound, and there is world over-capacity in steel.

British Steel will be sailed off into dangerous, stormy waters by the Government as quickly as possible in order to grab the briefly opened window of opportunity provided by the improvement of 1986-87, which was caused largely by the fall of sterling. The symptoms of these problems are all around us. They can be seen in the *Metal Bulletin* of 14 April, which says that United Kingdom demand for steel is up only 4 per cent., but customers' lead times are lengthening. The only alleviation of the situation is offered by imports, which are now much cheaper because of the high value of sterling. In 1987 imports were at an all time high, excluding 1980, the year of the steel strike. *Metal Bulletin* for 31 March says that Teesside's order to supply slabs to Tuscaloosa has now been lost to USX, formerly United States Steel—an early symptom of what is happening because the dollar is falling and the pound rising.

In this position it will be a wise Government who recognise the risks of turning this capital-hungry cyclical industry loose on the world market and absolving themselves of all involvement in the consequences. Steel may face consequences and difficulties that will make it again need support from the State to see it through the difficulties that it has had in the past.

The real question to be asked about privatisation—it is the reason why we want to stop the sale of the securities—is who will British Steel be sold to? What are the imperatives of the investors who will take it over? I do not imagine that they will be small investors. This will be a somewhat risky investment in a cyclical capital-hungry industry—too risky to sell to Sid and his friends. All the signs from the Bank of England are that Sid is satiated and will be once bitten twice shy after last October. The buyers will be big internationally diversified investors who want another element in their portfolio. They have no interest, necessarily, in the continuation of steel production in this country. They want a return that will perhaps allow them to write off their assets over a 20-year period. All they want is another egg in their basket, which British Steel can provide.

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This is part of the Government's process of making this land fit for investors to live in. They have closed down £25 billion worth of investment in manufacturing industry to make the rest of investment in manufacturing industry more profitable. They have allowed investors to diversify overseas, with money pouring out of this country. They have put on the stock market better invested internationalised industries as an attractive alternative to overseas or other industrial investment in this country. The land is becoming fit for investors, but investors do not have the same commitment to the maintenance of a powerful and effective steel industry, to providing steel as cheaply as possible to manufacturers, and to investing to keep up with the foreign competitors, as the State and community have. Nor do they have the same resources as the State to provide the wherewithal for investment. They do not have the commitment which is central to public ownership and which can be sustained only by public ownership.

The very terms in which the company is being privatised in this shabby little Bill, with its shabby little company, are incentives for investors to write off their investment over a period and for British Steel to run the company to pay dividends regularly to investors rather than to invest in new capacity, new plant and new processes as we would want.

The process of privatisation is essentially a commercial fiddle to write down the assets and make them attractive to investors. Lord Jenkin of Roding said that the Government will sell British Steel at a price that will be attractive to the investor. In other words, they will manipulate the asset value of British Steel until they get it to a price at which investors will bite and be guaranteed the return they want. Such a fiddle would be prevented by our amendment.

The Government will not only write off the £17·6 billion —at current prices—that the taxpayer has put into British Steel, and for which he will receive no return, but even the remaining £3·9 billion of public dividend capital, which is all that is left after earlier write-offs, will be written down to make it attractive to investors. The best estimate that we have of the price that investors will pay for British Steel comes from the *Financial Times* of 29 February and is £2 billion. At that price the corporation will be an attractive investment for internationally diversified investors who want another egg in their basket.

Clause 2 allows the Government to write down the public dividend capital of £4 billion to a level at which it can be sold—let us say £2 billion. So there will be a substantial write-off at the start to make British Steel attractive to investors. But there is another element in the confidence trick—clause 7. Our best estimate of the assets of British Steel is £5·4 billion. That figure is a combination of the fixed assets at current cost, which are £3·2 billion, plus £926 million of plant, which is fully written off and depreciated, but still in use in British Steel, which is still extracting profit from that money, plus the other assets of £1·2 billion, giving a total of £5·4 billion worth of assets.

The statutory reserve in clause 7 will be set at the difference between the written-down value of public dividend capital—say, £2 billion—and the nominal value of the shares. If the nominal value can be determined at will, the Government can create for themselves free capital which can be distributed and used to absorb losses and then form the basis for write-downs in the asset values of the British Steel Corporation. If the fixed assets are written down, as they will be, below their economic value, the returns that they produce count as income available for distribution. So the basis of privatisation is a confidence trick to fiddle down both assets and public dividend capital to a price that investors will pay. The Government are robbing themselves and the taxpayer and knocking down the value of their assets to get them on the market as quickly as possible—just to get rid of them.

The Government have no higher sense of commitment to or responsibility for the steel industry, which is so important to the economy. As British Steel's assets are already under-valued, this sets the industry out on a dangerous path. The Government say that it is possible, even desirable, to write down assets to provide dividends for investors, and that it is desirable to reduce the price to make it attractive for investors. On what path does that start the steel industry? It starts it back on the path on which it was previously under private ownership. The record of private ownership of steel was to pay dividends out of capital, to keep up the flow of dividends, at the expense of cutting down on investment or, in many cases, making no investment at all.

There was a fascinating article in *Accountancy* in 1959 which showed how, when the industry was privately owned, in most years up to the war it paid dividend out of capital. It resumed that process in the 1950s and continued it in the 1960s. It was effectively an industry that was eating itself. It produced a cycle in steel that was a national tragedy. Irresponsible private ownership meant no investment and distribution of dividends out of capital, so reducing the industry to a position where it had to be taken over by the state to build it up by force feeding it in a sense, because only the state is powerful enough to do that.

The state transformed the industry so that in the 1970s and the early 1980s it was a well invested, highly developed industry, producing an extremely competitive product on five integrated coastal sites. Then along come the Government to throw it back to the private sector to resume the irresponsible cycle that will reduce the industry to the state that it was in the early 1960s. This the Government call wisdom, economics and statesmanship. It is pure, simple irresponsibility which is unworthy of any Government, even this one.

Mr. Crowther: No doubt my hon. Friend will recall the Benson report, which drew attention to the fact that the industry was being starved of capital, which led directly to its being taken into public ownership. No doubt my hon. Friend agrees that if that had not happened there would not be a steel industry today.

Mr. Mitchell: My hon. Friend is right. Because of his long association with and deep knowledge of the steel industry, I am grateful for the point that he made.

The interests of investors will not be the interests of the nation, the workers or manufacturing. Investors will be interested only in their returns. It is worthwhile asking how the return will be secured from British Steel. The answer is that it will be secured by the kind of fiddle which the Government themselves sanction by the very basis of the Bill.

If we take £2 billion as the price for British Steel, the return that an investor will require will be about 20 per cent. We have to add to the rate of return 10 per cent., say, as a risk premium because of the nature of the industry. On our calculation, that will mean an annual dividend of

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about 20 per cent. to make it an attractive investment. That is a high return. If we take into account Sir Robert Scholey's statement that he wants investment of about £300 million—he did not say for how long—it will be difficult for British Steel to make an annual return to investors on that scale and carry through the national investment.

How could British Steel do that? It could do it by fiddling the figures in part, as it has done by using capital which has been written off. It has already started on that path to pretty up the accounts for privatisation. The Government encouraged that process after they had painted the picture far blacker than it was up to 1985 in order to enhance the case for loss of jobs and closures.

Even on the return which it is making in 1987-88 British Steel will not be able to provide an annual return of £400 million. Therefore, it will be driven down the path that my hon. Friend the Member for Motherwell, South (Dr. Bray) described. The report from Youngs, the management consultants from Motherwell district council, shows clearly how the profits of British Steel could be increased by closures. The figures in the report are clear and dramatic. The closure of Ravenscraig would produce, every year, an extra profit of £100 million because there would be no need to finance investment and employment. In other words, British Steel could get from closures the rate of return that investors will want.

It is not a question of profitability, but just of getting more profit as a return for the investor. That will be feasible by closing plants that might be profitable. The closure of Ravenscraig alone might not bring the dividends up to the requisite figure. The Government have already started British Steel down that path by sanctioning in clause 7 the write-off of assets. That will lead inevitably to further closures to extract more dividend for investors.

Mr. Peter Hardy (Wentworth): There is another path as well as the one to which my hon. Friend has referred. British Steel could engage in asset stripping and sell off cheaply United Engineering Steels, which is so important in Rotherham and in my constituency.

Mr. Mitchell: My hon. Friend is correct.

Different dangers attend privatisation. There is the wasting way, the anorexia nervosa treatment, which provides a steady return for investors at the cost of failing to invest to build up the capacity of the industry so that it may remain competitive. That started with the process which we are now on of letting imports fill the peaks and not expanding the industry to provide for them. That path was pioneered by the British motor cycle industry and has also been trodden by the British car industry. It has had disastrous consequences for both of them.

There are lots of possibilities. What we need is public control so that the industry serves the purposes of the nation, the national strength and British manufacturing. That can be secured only by public ownership in the form provided for in the amendment. The argument is simple. The danger is an irresponsible handover by a Government who are determined to get the cash as quickly as possible and to grab at the money in the window of opportunity so as to produce an incentive for investors who will take over British Steel to screw the maximum rate of return out of their investment in ways which are disadvantageous for the national purposes of the country and the economic health of manufacturing.

It would be irresponsible to throw away the benefits of public ownership and public investment just when they are beginning to make a return. Why should that money not return to the taxpayer? If the industry is to be as efficient and competitive as the Government tell us, why should the taxpayer not continue to derive the benefit and retain for himself and the community the power to sustain the industry through the difficulties which might lie ahead and which the cyclical industry of the past has shown probably do lie ahead?

Mr. Michael Brown: I am absolutely flabbergasted by what the hon. Member for Great Grimsby (Mr. Mitchell) has said. He served with me on the Standing Committee. I refreshed my memory from the proceedings in Committee to see what the hon. Gentleman said. He said that the Labour party's amendments to the Bill

"propose that British Steel should demonstrate a track record before privatisation."

He went on to say, and I remember him saying it:

"We are not standing in the Government's way and saying, 'Thou shalt not privatise'. We are saying that we should privatise taking into account all the sense and virtues that the Government tell us are to be found in the Conservative party——".

Mr. Austin Mitchell: Will the hon. Gentleman give way?

Mr. Brown: No, I will not give way until I have completed the quotation—

"the feelings of financial market, financial rectitude and financial responsibility—by establishing a track record before this important national asset is launched on an uncertain sea."

Later, he said:

"Our concern, which we reiterated throughout the Second Reading debate, is that British Steel should not be privatised. We do not want it to be privatised. We are flatly opposed to privatisation."

[*Official Report, Standing Committee D,* 10 March 1988; c. 59-60.]

8 pm

I do not think that the Labour party knows its policy about the British steel industry. Once upon a time we knew what it was. I have no doubt that hon. Members who were here in the mid-1960s—such as the right hon. Member for Blaenau Gwent (Mr. Foot)—when the nationalisation of the steel industry was going through the House saw the House packed with hon. Members. Today there is no passion in the Opposition's arguments, and the fact that only about half a dozen Opposition Members are present shows that there is little concern whether the British steel industry is privatised.

Mr. Austin Mitchell: It is fascinating for me to hear my speeches reread with some deterioration in the style, the grammar and the charm of the delivery. It is "Play Away" politics for the hon. Gentleman to engage in that kind of exercise. He well knows that the purpose of a Standing Committee is to probe the thinking of Ministers. In Committee, we were probing to find out if there was any thinking. Ministers emerged very badly from that examination. It is the intention of the Standing Committee to approach matters from different angles. The

amendments to which I was speaking approached the problem from different points of view. It is silly and irresponsible to quote one and to hold it against the other.

The hon. Gentleman asked about the Labour party's position on privatisation. Our policy is to stop it. This industry needs to stay in public ownership. Public ownership has served the industry well and we feel that it will prosper only under such ownership. That is a clear statement of the position.

Mr. Brown: We have made some progress, because we know what the Labour party would not do if it were in government. It would not denationalise or privatise. If one day—perish the thought—the Labour party were to form the Government, what would they do with the steel industry? We have not heard from the Opposition whether they would renationalise it.

Mr. Mitchell: Will the hon. Gentleman give way?

Mr. Brown: No, because I intend to be brief.

We know what the Labour party opposes, but we do not know what it would do to the steel industry if it were to come back to power. I remember pressing the hon. Member for Dagenham (Mr. Gould) time and again in Committee about what he would do, and his ideas changed from day to day. When he and the hon. Member for Great Grimsby had not had time to consider their policy, they expressed totally different views.

Shortly before the 1987 election, the Prime Minister announced three broad goals that the Government would set out to achieve in their term of office: first, a reduction in the burden of public indebtedness; secondly, a significant reduction in personal and corporate tax rates; and, thirdly, the improved provision of social services. A key role in the reduction of debt was to be played by the reform and sale of state-owned businesses.

Those words were used not by our Prime Minister but by the Finance Minister in the New Zealand Labour Government. He used them yesterday evening in the presence of the hon. Member for Dagenham. Labour Governments in other countries who have the responsibility for looking after state assets recognise that they cannot for ever be held in the the public sector. The Labour Government of New Zealand have found a way of giving a future to their steel industry. It was significant that the hon. Member for Dagenham took the trouble to go and listen to that speech, probably because he does not have his policy worked out and is probably trying to get some ideas to see how it is done.

The amendment should be rejected. Labour Governments of the 1960s and 1970s implemented policies that brought the steel industry near to bankruptcy. The Conservative Government of the 1980s have brought the industry back to profitability. It is now time to secure that profitablility by ensuring that the industry is privatised as quickly as possible.

Mr. Elliot Morley (Glanford and Scunthorpe): We should remember what we are talking about when we discuss these amendments. The Bill will turn the British Steel Corporation into a plc wholly owned by the Government. That could go ahead with the ownership remaining with the Government, and that is what we are arguing for in the amendments. There are very good arguments for that, and many of them have been outlined by my hon. Friend the Member for Great Grimsby (Mr. Mitchell).

It is worth remembering that British Steel's present prosperity is a direct result of the investment that was made during public ownership. Scunthorpe would have gone the way of Corby if it had not been for the Anchor project and the massive investment in the early 1970s under public ownership. We must face the question whether that same kind of massive investment and modernisation programme will continue in private ownership, or whether the temptation will be to take the profits while they are good and while the exchange rate is to the benefit of BSC. There may be a temptation to take the money while BSC is going through a boom and then, when the industry goes down again, to forget about it.

People who have worked in the steel industry all their lives and have been through the changes when it was privately owned and state-owned have told me that, when the industry was nationalised, investment was in the form of new machinery. They said that when it was denationalised, all it got was a new coat of paint and money was not invested as it should have been. We all want to see a prosperous and competitive steel industry. We do not want to see such a national asset being sold at a loss to Britain and to the taxpayers. That is exactly what we will get under the terms of the Bill.

We have not addressed the problem of the billions of pounds of public money that have gone into the steel industry since the beginning of the 1980s. In reply to a question, the Minister said that since 1979, over £5 billion of taxpayers' money has gone into the industry to help it to restructure and modernise. Are we completely to forget about that money? Now that we have seen the fruits of that investment, are we simply to throw it away while there is an opportunity to receive some dividends, some return in terms of the profits that the steel industry is making? Those profits should go to the Exchequer to repay the taxpayers for all the money that has gone to the industry.

Steel is a strategic industry, important to the well-being of our nation. Britain is a manufacturing nation but we may well be swamped by imports and lose that status. It is important that steel is given the kind of security that a state-owned company enjoys.

I am prepared to accept that there were weaknesses in the Morrison form of nationalisation. I am not saying that we cannot look at different approaches to public ownership that will give the people who work in the industries a real say and a stake in them. I am not saying that a free-standing company should have a great deal of direct interference in its day-to-day running. Such a company should operate on a commercial basis.

Even under the Bill, the company would remain in public ownership and the money that has gone into it could be retrieved through the profits that the industry is now making. There is no logic in selling off British Steel to the private sector and thinking that there will be increased competition, because that will simply produce a monopoly. The sale of other former public companies, such as British Telecom and British Gas, to the private sector has not improved the service to consumers. In the case of British Telecom, the quality of service has deteriorated. There is no guarantee that the benefits to the consumer will be enhanced by selling the British Steel Corporation to the private sector.

Mr. Tim Janman (Thurrock): I am interested in the hon. Gentleman's comments about competition. Does he accept that 40 per cent. of steel products sold in the United Kingdom are imported and that there is plenty of competition in Europe that British Steel must face, which will act as an incentive to give good quality service to customers?

Mr. Morley: I am not sure that the answer to our economic problems is to increase imports. I would rather see competition among United Kingdom plants, rather than rely upon imports.

We shall go into a unified market in 1992. Our industries already suffer the disadvantage of high energy costs compared with our European rivals. The BSC is by no means one of the largest steel-producing companies in Europe, so it runs the risk of unfair competition which will undermine its position and, as a result, this country's position as a steel-producing nation.

Public ownership protects the steel industry from its cycles. When the going has been good, the private sector has taken money out of the industry, but, when the going has been difficult, it has cleared off and left the state to pick up the pieces. After rebuilding our steel industry and making it one of the best in the world, the Government are prepared to throw it to the wolves, to wash their hands of it and to destroy what has been built up with public money and support.

Mr. Fallon: The trouble with Opposition Members is that they try to have things both ways. The hon. Member for Glanford and Scunthorpe (Mr. Morley) and, in the earlier debate, the right hon. Member for Blaenau Gwent (Mr. Foot) claimed that the successful steel operations in their constituencies were due to the massive investment programme of the last Labour Government. If that is true, the failure of the steel operations in Corby and Consett must also be due to that programme. Opposition Members cannot have it both ways.

I have always thought that Mr. Speaker was a generous man, but he has been more than generous in his selection of the amendments, because it is clear that amendment No. 2 comes close to being a wrecking amendment. The Labour party says that, even if the British Steel Corporation is allocated in share capital, the shares should not be sold: they should be retained for ever in public ownership. That is quite clearly a nonsensical approach for three reasons.

First, as the hon. Member for Great Grimsby (Mr. Mitchell) admitted, future and continuing large-scale investment will be required in the industry. He suggested that that could be financed from gilts, but, if that is the case, steel would always be competing against other equally massive investment in key public services, such as education and health, which are also financed from gilts and public borrowing. Steel would therefore always be competing, perhaps at a disadvantage, with other claims on investment from the public sector.

Secondly, if the shares are retained in public ownership, the British Steel Corporation will be far less responsive to its customers' and shareholders' needs. In new clause 1, Opposition Members specifically advocate taking account of customers' and shareholders' wishes. Those wishes may well be considered, but, if the shares are retained in public ownership, they will always be less important than the wishes of Ministers, particularly of the Treasury Ministers.

Dr. Reid: Is the hon. Gentleman suggesting that, as British Telecom is now in the private sector, it is more responsive and pays more attention and gives better service to its customers?

8.15 pm

Mr. Fallon: Yes, certainly. British Telecom and Oftel do nothing but write to Members of Parliament about all the improvements that they are making and planning. If the improvements are of the scale that they describe, one wonders what the service was like under public ownership. There is therefore no real strength in that argument.

Thirdly, if the BSC is retained in the public sector, it will be placed at a strong competitive disadvantage to other companies in the European and world market place which are privately owned or which Governments intend to be privately owned. As my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown) has reminded us, such privatisation is envisaged by both Conservative and Socialist Governments.

The amendment seeks to preserve the status quo. If the shares are publicly owned, there is not much point in privatising the BSC. The amendment advocates no change in British Steel and it shows, above all, no confidence in either the management or the work force to make a success of the industry in the market.

Mr. Foot: As I have listened to the debate, I have been more and more amazed at the prospect that a Minister from the Welsh Office is to reply to it. The Minister of State, Welsh Office is the only Minister to have listened to the debate, so I presume that he will answer for the Government. That is a pretty amazing state of affairs. I have the greatest affection for the hon. Gentleman, as everyone in Wales knows, but we do not regard him as a great spokesman about steel. Is he going to come to the Dispatch Box and say that it was wrong to nationalise the steel industry in Wales?

What will happen to the Llanwern works? There would have been no such works without public ownership. When the works was set up and hundreds of millions of pounds invested in it, it was called the Spencer works. Aneurin Bevan suggested that it was better to call it the Spencer works because Sir Henry Spencer had backed it throughout. He advocated public ownership and knew that only public money could sustain the industry on the proper scale. He would have been gratified by the scale of the success of the Llanwern works over recent years, but he would have been horrified that a Welsh Office spokesman should have dared to come to the Dispatch Box to seek to justify throwing this great industry, built up by huge public funds and effort, back into private hands, when it had been built up solely by public investment and public foresight. If it had not been for that, there would have been no works at Llanwern.

My hon. Friends the Members for Great Grimsby (Mr. Mitchell) and for Glanford and Scunthorpe (Mr. Morley) have put the case magnificently that the steel industry is a long-term industry. It must have a chance of long-term planning. That was the situation in Llanwern. It had some difficulties for two or three years, but Henry Spencer said that we must back it over a period. That is what the steel industry needs.

I recall vividly when the Government took the wretched decision to appoint Ian MacGregor to run the steel industry. The fact that he had ruined the coal industry was

bad enough. I remember my first private conversation with him and I believe that it is perfectly all right to make the facts public now. He said to me, "You must recognise that we are not bound by the undertakings of the British Steel Corporation." I said, "But the whole point about the British Steel Corporation is that it must be bound by its previous obligations to the work force and the community at large." Eventually, for a while, we forced him to carry out the obligations that his predecessors had undertaken; that was extremely important for the industry.

Ian MacGregor wanted to wriggle out of the obligations, and under his leadership many commitments to my constituents and others were broken—shamefully so in some cases—and thereby the corporation thought that it did not have to carry out its obligations to the communities. Ian MacGregor was absolutely opposed to the plan of building up other industries and for the steel industry to play a major part in that development. The Labour Government had given that undertaking, but he wanted to wriggle out of it.

It is absolutely appalling that the Minister of State, Welsh Office should come to the Dispatch Box to throw the industry back into private ownership without knowing what the outcome will be. As my hon. Friend the Member for Great Grimsby said, no one can foresee the world situation for steel over the next five or 10 years. It is shameful and shocking that the Government should decide now to put at risk an industry which has been through such pain and agony.

I say this in the interests of the whole steel industry, in which the whole nation has a special interest. As I said earlier, I speak in the interests of each steel plant. We want firm commitments about investment over the next five or 10 years. We should have a Minister at the Dispatch Box who is capable of giving firm commitments. If the industry is to be privatised, such firm commitments cannot be given from the Disptach Box. That is why we are opposed to the privatisation. If the Minister wants to do a service to Wales, he should tear up his prepared speech and say "No, we will not do this." He has experience of steel matters. He had better get an underling from another Department to do the dirty work.

The Minister of State, Welsh Office (Mr. Wyn Roberts): The hon. Member for Great Grimsby (Mr. Mitchell) was sufficiently honest to admit at the beginning of this debate that he was using the amendment to debate the basic principle. Therefore, we heard the age-old argument of public ownership versus privatisation. We covered this ground thoroughly on Second Reading, and we touched on it in Committee.

During the Second Reading my right hon. and learned Friend the Chancellor of the Duchy of Lancaster set out the Government's position clearly when he said:

"The Government believe that good commercial enterprises should be in the private sector because they thrive better there. They are free of Treasury control, free of ministerial control and further away from political lobbying which raises problems now or in future."—[*Official Report*, 23 February 1988; Vol. 128, c. 170.]

I am aware of the connection of the right hon. Member for Blaenau Gwent (Mr. Foot) with steel. He may not know about mine. I was present at the opening of the Llanwern works in the early 1960s, and I remember Sir Henry Spencer. They used so much blue paint at Llanwern that it was called Spencer Blue. Perhaps the right hon. Gentleman does not remember as clearly as I do that the talk at the time was that the opening of the Llanwern works would mean the end of steel making at Ebbw Vale. It did not mean that for many years thereafter. Was it not left to a Labour Government, towards the end of their term in office, to close down steel making at Ebbw Vale and in Cardiff? That was very much in prospect towards the end of that Labour Government's term of office.

Mr. Foot: The Minister should get his facts straight. The Minister responsible for the proposal to close the heavy end of steel making at Ebbw Vale was his right hon. Friend the present Secretary of State for Wales. The Minister had better be careful about what he says.

Mr. Roberts: I am fairly sure of my facts. It was only a matter of time and of allowing the general election to pass before the decisions were implemented. The Labour Government had been forced into the position where they recognised that the rundown at Ebbw Vale and in Cardiff had to take place.

I want to consider the Government's justification for privatisation. As my hon. Friend the Member for Darlington (Mr. Fallon) said, we believe that the steel industry will perform better in the private sector. The Government are not alone in that belief. The BSC wants that. If hon. Members care to look at the report and accounts published in July last year, they will discover in the penultimate paragraph that the chairman states:

"The board believes that a return to the private sector would bring clear commercial advantages to the corporation."

Mr. Hardy: Will the Minister give way?

Mr. Roberts: No, I want to finish this point. I shall give way later.

The chairman of BSC said that in the context of all the challenges that BSC must face in the near future. BSC is facing the challenges for the future with some confidence, and the Government share that confidence. Having listened to Opposition Members today and in Committee, it seems that they base their views entirely on their worst fears and believe that the steel industry will be better protected if it is in public ownership.

The record of British Steel in public ownership is not as the Opposition would make out. I have a copy of an excellent document written by Elizabeth Cotterell, called "The Giant with the Feet of Clay: the British Steel Industry 1945-1981." This very good document describes some of the delays and damage caused during the period of public ownership.

We have not discussed the amendment in detail. However, it is clear that it is our intention that we should sell at least the majority of shares that we hold in the successor company following vesting. If a minority shareholding is retained, it will not be because the Government consider it necessary to retain a formal interest in the successor campany; nor, in those circumstances, would the Government seek to exercise any influence over the company's policy. Once again I reiterate our firm belief that we believe that the industry will react better to the requirements of the market place when it is in the private sector.

8.30 pm

The amendments are designed to preserve a specific Government shareholding in the successor company. That is completely at odds with our policy and it would certainly

[Mr. Roberts]

be wrong to enshrine such restraints in statute. These issues were thoroughly discussed in Committee, and the broader questions were debated on Second Reading. We accept that the steel industry is important, but it does not follow that the Government must retain control over it to protect the national interest. British Steel's history shows that Government intervention is often not beneficial either to the commercial success of the company or, in the longer term, to the national interest.

I recall debates in the House in 1973—and reference was made to this in Committee—when a great argument raged across the Floor of the House on how much steel should be produced. The then Government were talking of 38 million tons, whereas the Opposition were talking of 42 million tons or thereabouts. We all know what volume of steel production was reached within a few years after that time. In other words, all of us, on both sides of the House, were wrong. So much for our deep political knowledge and judgment of the steel industry.

This is an enabling Bill, and privatisation will take place subject to market conditions. We have always made that clear. The taxpayer will have his reward through the return to the Treasury from the sale of shares. I emphasise to the hon. Member for Glanford and Scunthorpe (Mr. Morley) that the return from the proceeds of the sale is likely to be far greater than any return from dividends over the years.

Mr. Austin Mitchell: The Minister is a poet or a bard, and he made a reply appropriate to a poet or a bard. It was not an economist's reply, nor was it a politician's reply. It was essentially doggerel. There was no mobilisation of any argument. Apart from the Minister's repetition of a few clichés, I heard no justification for taking the British Steel Corporation, which the Minister has told the House is so successful, transforming it into a shell company, and flogging it off. What gains will materialise from such an action? Can those gains be quantified? What prospects lie ahead if that is done?

We claim—and the history of steel shows this to be true—that there is an inherent tendency in private ownership to take the maximum return on investment and to draw the maximum dividends, but not to make the new investment in capacity and plant that is necessary for the industry to remain competitive. The tendency is not to build new plants, but to pay dividends out of capital or out of a failure to invest. That is the whole history of the steel industry. What will make that different now that the Government are again putting the steel industry into the hands of the self-same investing community that produced that record of neglect in the past? What will turn British Steel into a dynamic industry when it is privatised this time? There has been no indication at all from the Government.

One change is that the investors will be internationally diversified. British Steel will represent only a small proportion of their investment and will be something that they can write off. They will have no interest in the continued well-being of British Steel, provided it pays dividends. Once those investors have enjoyed a return on their capital they will be able to write it off after 20 years and put their money into another steel industry somewhere else. British Steel will be just one of the eggs in their basket. The danger is that they do not have any concern for the national interest of the kind which the Government have, and which the elected representatives of the people can have in influencing the Government through the House. That is the argument for public control, and it is one that has not been answered.

The only justification that the Government can provide for privatisation is that the Opposition are against it. That is the equivalent of a thug who has been arrested for attacking an old lady demanding of the policeman, "What is your philosophy about crime? What are you going to do to stop crime?", while not recognising that his own actions were wrong. The Minister's only arguments have come in the form of a few statements from British Steel executives. Of course they are in favour of privatisation, because they will get rid of Treasury control, with all its restrictions, and of interference by Ministers who they believe know nothing about the industry. They will also be able to pay themselves more money. In that situation, I would be in favour of privatisation. However, we in this Chamber must take account of the nation's interests and ensure the survival of a healthy manufacturing economy. We must also concern ourselves with the production of steel as cheaply and as abundantly as possible, to act as a basis for that industry.

Mr. Wyn Roberts: The hon. Gentleman does an injustice to the management of BSC when he ascribes to it those reasons for being in favour of privatisation. I am sure that he would wish to take account of the entire contents of the chairman's review, in which his statement in favour of privatisation occurs. He would then see that the BSC board is in favour of privatisation because it believes that the steel industry will do better.

Mr. Mitchell: The Government have been telling the House how well British Steel has been doing under public ownership, and that the whole basis of its success has been the investment made, the reorganisation undertaken, and the shedding of labour that has been carried through under state ownership. When the hon. Member for Darlington (Mr. Fallon) said that private ownership means success, and that public ownership means failure, his assertion is in direct defiance of all the facts. There is in the 16 May issue of *Metal Bulletin* a table of results for EEC steelmakers. The only major success is that of British Steel, which is publicly owned, with a profit of 286 million ecu for 1987. The privately-owned German steel maker, Klockner, made a loss of 39 million ecu. Thyssen lost 107 million ecu. Hoechst made a profit of only 24 million ecu, and both Irish Steel and Danish Steel made losses. Private steel makers are losing money, but British Steel is successful, and has been made successful by public ownership. The Government want to throw that away, and that is irresponsible of them to do so in the fashion that they propose.

The Government are irresponsible. They are a Government who have presided over years of oil wealth and have thrown that away. They have thrown away the nation's opportunity and are now selling off the nation's assets at knockdown prices—grabbing a quick window of opportunity to get the best price that they can, irrespective of the consequences for the industry and the problems that will confront the national economy later. It is Government by irresponsibility, and we shall vote against it.

Question put, That the amendment be made:—

The House divided: Ayes 186, Noes 246.

Division No. 306] **[8.37 pm**

AYES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Hilary
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Bennett, A. F. *(D'nt'n & R'dish)*
Bidwell, Sydney
Blair, Tony
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Callaghan, Jim
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Cook, Frank *(Stockton N)*
Corbett, Robin
Cousins, Jim
Cox, Tom
Crowther, Stan
Cummings, John
Cunliffe, Lawrence
Dalyell, Tam
Darling, Alistair
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Dunwoody, Hon Mrs Gwyneth
Eadie, Alexander
Eastham, Ken
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Gordon, Mildred
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
Mahon, Mrs Alice
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Brien, William
O'Neill, Martin
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Dawn
Radice, Giles
Randall, Stuart
Redmond, Martin
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rooker, Jeff
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Soley, Clive
Spearing, Nigel
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Vaz, Keith
Wall, Pat
Walley, Joan
Wardell, Gareth *(Gower)*
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mrs. Llin Golding and
Mr. Frank Haynes.

NOES

Alison, Rt Hon Michael
Allason, Rupert
Alton, David
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Atkins, Robert
Atkinson, David
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Bevan, David Gilroy
Biffen, Rt Hon John
Blackburn, Dr John G.
Body, Sir Richard
Bonsor, Sir Nicholas
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl'ts)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Bruce, Malcolm *(Gordon)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Burns, Simon
Burt, Alistair
Butcher, John
Butterfill, John
Carlile, Alex *(Mont'g)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chalker, Rt Hon Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Cormack, Patrick
Couchman, James
Cran, James
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Dykes, Hugh
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Fry, Peter
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Harris, David
Hawkins, Christopher
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John

Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Hill, James
Holt, Richard
Hordern, Sir Peter
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jalik, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kilfedder, James
Kirkhope, Timothy
Kirkwood, Archy
Knapman, Roger
Knight, Greg *(Derby North)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
McCrindle, Robert
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Meyer, Sir Anthony
Michie, Mrs Ray *(Arg'l & Bute)*
Mills, Iain
Moate, Roger
Monro, Sir Hector
Morrison, Hon Sir Charles
Morrison, Hon P *(Chester)*
Moss, Malcolm
Mudd, David
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Paice, James
Patnick, Irvine
Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Raffan, Keith
Rhodes James, Robert
Riddick, Graham
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Skeet, Sir Trevor
Speller, Tony
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Wallace, James
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Watts, John
Wheeler, John
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Stephen Dorrell and
Mr. Alan Howarth

Question accordingly negatived.

Mr. Austin Mitchell: I beg to move amendment No. 5, in page 1, line 19, at end insert

'and must be a company in which there shall be designated a special share which shall have the effect in terms of voting at an ordinary meeting of representing 50·01 per cent. of the shares and which shall be held by the Secretary of State for the following purposes—

(a) ensuring that all directors of the successor company are British citizens;

(b) restricting the proportion of shares held by non-British citizens or institutions to 15 per cent. of the paid-up capital of the company;

(c) protecting the successor company from being taken over by another person or body; and

(d) the restriction of any individual shareholder or their nominee to no more than 5 per cent. of the paid-up share capital of the company;

and the Secretary of State shall report to Parliament on the use of the golden share designated under this subsection.'.

This amendment relates to retaining Government influence over the privatised British Steel Corporation. Even if the Government are so irresponsible as to want to divest themselves of ownership through a state corporation, they should still retain some influence over the new company and set out certain priorities in the form of a golden share. That is clearly a faute de mieux, in the sense that we prefer the corporation to be publicly owned and amenable to national interests through public ownership —that is the best way of doing that—and, in default, there should be a golden share.

From the Minister's own agnostic position on Second Reading, it is clear that he did not think of including a golden share in the proposals. It is clear also that, through our arguments in Committee, we have brought the Government round. In Committee, there was little Government movement. Perhaps it was because the Ministers did not know much about steel or the Bill. But, during our discussions, we managed to secure one concession—and there will be a golden share in British Steel plc. We rate that as a success, but it is no more than a recognition by the Government of their responsibility to privatised industry. We are glad about that concession, but we want the Minister to put some flesh on it and tell us exactly what the Government envisage in the golden share. We envisage the range of powers that is specified in our amendment. The first is

"that all directors . . . are British citizens."

It restricts

"the proportion of shares held by non-British citizens or institutions to 15 per cent.".

In other words, we do not want to get into a British Petroleum problem.

The amendment protects

"the successor company from being taken over by another person or body."

Clearly, it could be in danger of that. If there is no investment and industrial strength is not maintained, it restricts

"any individual shareholder or their nominee to no more than 5 per cent. of the paid-up share capital of the company."

More important, it requires the Secretary of State to

"report to Parliament on the use of the golden share designated under this subsection."

That is the golden share as we would like it. We wait to hear how the Minister would define it. There can and should be no doubt about the principle of the golden share. The 23 July 1985 minutes of Her Majesty's Treasury Official Committee on Nationalised Industry Policy, which is an unclassified document on special rights shares, show that that body agreed:

"In some privatisations, there will be no need for reserve powers. But in certain cases, the Government needs to retain specific limited powers over the future ownership or control or conduct of a privatised company. Powers have been taken for example to prevent foreign control where this is judged to be undesirable, to block take-overs during a limited period while the company fully establishes itself in the private sector, and to veto any material disposition of assets. The exact powers required will need to be determined by the circumstances of each case, but they should always be limited to the minimum necessary."

In British Steel, the minimum necessary is substantial, because it is a crucial industry. We want the industry to be run as closely in accord with the national interest as a privatised industry—a plc—can be. That is why we have opted for the form of words in our amendment.

If the Minister does not think that British Steel is important, strategic or crucial enough to the economy to justify that full range of powers, it is incumbent on him to tell us why he rejects them and how the dangers that they safeguard against can be avoided if they are not specified in the golden share.

Clearly there is scope for discussion about the golden share. The golden share should be written into the legislation. That seems to be an essential safeguard. I assume that the Government's approach will be to write it into the articles of the company. That is not as effective as putting it into the Bill. If a case goes to court and a judge rules that the equal rights of shareholders are overruled or obviated by the existence of a golden share, the nature of the operation could be endangered. That is always a possibility. To safeguard against that, legislation will have priority and will be fully and comprehensively binding in a way in which the company's articles will not. That is why we prefer to have this in the legislation.

Let us examine what is in the golden share. The contents of golden shares have varied from privatised company to privatised company. There is no pattern. I should have thought that it was incumbent on the Government to set out some basic pattern of requirements to be imposed on privatised companies. The Government have certainly had enough practical experience to set out certain basic rules in the form of a golden share and what it should be about. I ask hon. Members to look at experience. For instance, the golden share of the British Airports Authority provides that there will be no individual shareholding of more than 15 per cent. It entrenches the ownership of major airports with the British Airports Authority. In British Aerospace, there is no foreign stake over 15 per cent. The directors are British, and there is one Government director. British Airways has no special share, but no individual stake over 15 per cent. and no foreign holding over 25 per cent. are allowed. In British Telecom, there is no stake above 15 per cent. The chief executive must be British and the Government have the right to appoint directors. There is a patchwork quilt of provisions.

Steel is so crucial that we should have the maximum possible provision and safeguards in the golden share. There are real dangers. It is important to assert the national interest, in whatever form it can be asserted, through a golden share held by the Government. I was pleased to hear the Minister announce that there is a possibility that the Government will maintain a shareholding. Clearly we welcome that. We prefer them to maintain as big a shareholding as possible and for as long as possible—certainly until Labour returns to power, when we shall know what action to take with the shareholding.

The golden share is a different provision—*[Interruption.]* The Under-Secretary of State is checking what was said in the previous debate. In Committee, he envisaged a 25 per cent. Government shareholding in BSC. I hope that he will not whittle away at the figure and cause that shareholding to vanish like a mirage. That shareholding was important in building up our vote on amendment No. 2. I notice that the Government's majority fell abruptly. Either their supporters do not have faith in the privatisation proposals or we are gathering new strength, perhaps as a consequence of the Minister's commitment in the last debate.

Since the 1920s, we have not had a totally unregulated market in steel, without any Government involvement or state responsibility for the market's overall shape. Over the years, Government aspirations about public versus private ownership have changed like a zigzag. The Conservative party came into office hostile to public ownership, but the Government increased it massively by encouraging the British Steel Corporation in the early 1980s to drive all the competition out of business. Dunford and Hatfield was the classic example. Private steel producers which had prospered and made profits under Labour—we had a different attitude towards the private sector—were driven out of business by BSC under this Government. In effect, a Government committed to privatisation were closing down the private sector. The Government then took another zigzag with the Phoenix hive-offs, in which British Steel retains a stake.

9 pm

Now, in another zigzag, the Government are to turn this dominant public limited company loose on the market without control or supervision, let or hindrance. There will not even be effective controls by the Monopolies and Mergers Commission. The procedures have been speeded up and will probably be weakened. How effective will those procedures be as a control on any monopolistic tendencies implicit in British Steel's performance? I asked the Under-Secretary of State for Corporate Affairs when he intended to publish the MMC's report on various nationalised industries, including BSC. Having given me a holding answer, because the question so disturbed him and the Government's actions were so obscure that he was not able to find the answer immediately, the hon. Gentleman said:

"The report was delivered to the Secretary of State in 1986."

No date was given, but it was almost certainly the beginning of 1986. The hon. Gentleman did not even give the month. He said:

"The delay in publication has been caused by the need to consider very carefully a request by the British Steel Corporation that the Secretary of State should exercise his powers under section 17 of the Competition Act 1980 to make a number of excisions to the published report in order to avoid prejudicing the interests of the corporation."—[*Official Report*, 3 May 1988; Vol. 132, c. *373*.]

What are the Government hiding? What was cut out of the report and why can it not be published? Is the report so damaging about the privatisation prospects of the British Steel Corporation that it will deter investors?

If that is effective supervision of a nationalised company by the Monopolies and Mergers Commission, it is clear that the privatised company will be turned loose with no effective control over it. That is why we want the Government to have a golden share. The fact that the Government have bungled the golden share over Britoil does not invalidate the golden share. It might invalidate its use by the Government, but it does not invalidate the principle of retaining a vestige of influence and setting the company in the right direction. The fact that the EEC has doubts about it does not invalidate the golden share. My guess is that the Government now wish that they had a golden share in BP. That is the line argued by *The Independent*, which, on 5 May 1988, said:

[Mr. Austin Mitchell]

"In simple truth, the Government has run into difficulty with BP because it was never envisaged that such a situation could arise."

That was a reference to the Kuwaiti investment, which is bigger than our Government's stake in BP. Kuwait, a member of the Organisation of Petroleum Exporting Countries, has more influence and control over BP than our Government. If the Government had provided themselves with the instrument which we provide for them in the amendment, that situation with BP could not have arisen.

Before the marines begin to abseil down the front of the British Steel building, unveiling the slogan "Three and threepence," as they did on BP, let us take a sensible precaution. Any Government with wisdom would maintain the vestige of public influence, national control, and point it in the direction of public involvement and interest in what will be a powerful private competitor.

Mr. Crowther: We are all probably aware that the Government have issued a press statement today, setting out what they will write into the articles of association. I think it would have been more courteous if they had let hon. Members know at the same time as they informed the press.

Mr. Kenneth Clarke: I did not intervene during the speech of the hon. Member for Glasgow, Cathcart (Mr. Maxton) when he made the same point. The press statement actually repeats the text of an answer to a parliamentary question. We followed the convention of not issuing it to the press until Parliament had been told. Our intention was that the debate on the amendment should be better informed, which could be achieved by giving advance notice of the terms of the special share that we were proposing. Whatever else we can be accused of —the hon. Member may be about to accuse us of all kinds of things—discourtesy to the House is not one of them.

Mr. Crowther: Is the Chancellor of the Duchy saying that the answer is in *Hansard* today?

Mr. Clarke: No, it is not. We followed the usual convention. Parliamentary questions are always answered at 3.30 pm, and press releases can be given after that. Parliamentary questions are available, as the hon. Member knows, and, if one goes to the right place in the House, one can obtain a copy of today's answers.

Mr. Crowther: I do not think that that is satisfactory. Most hon. Members will not have had the opportunity of seeing the written answer until later.

A representative of the press told me what is in the answer. As I understand it, in the first place it is intended that the Government retain a golden share in British Steel. Perhaps the Chancellor of the Duchy will tell me if I am wrong, but they are intending to limit share ownership by any individual to 15 per cent. However, whether there is a limitation on foreign ownership——

Mr. Kenneth Clarke *indicated dissent.*

Mr. Crowther: I see that the Chancellor of the Duchy shakes his head. That is what fills me with dismay. I thought that there was to be no limitation. However, I understood that the Government may have been agreeable to writing that limitation in. If they are not prepared to write it into the articles of association, that makes the matter worse. However, even if they had done that, I would not have found that adequate. That limitation on foreign ownership needs to be written into the legislation, which is what the amendment is all about. If we are going to protect the national interest, it is essential that this amendment is carried. The amendment deals with both those matters.

The golden share principle is fine, so long as the golden share is held by a Government who are really concerned about the national interest. I confess that I am not confident that the Government have any concern for the national interest. That is also why we need to write it into the Bill. In order to avoid uncertainty about the future ownership of the industry, a limitation on foreign ownership with no time limit needs to be written into the Bill. I believe that even the golden share principle may be limited to five years. That will be a five-year limit on the modest provisions which are now proposed.

We know, of course, that the Government are intending to push the British Steel Corporation into the private sector as soon as possible. The great danger is that this privatised company will enter into a cut-throat price war in Europe when the production quotas are lifted at the end of next month. It is now fairly clear that about 90 per cent. of all steel products in the Community will be outside the quotas. At the same time, the West Germans are still alleging—wrongly in my view—that the British steel industry is receiving Government subsidies. If the Chancellor of the Duchy of Lancaster knows something about that that I do not know, I shall be pleased to hear it, because as far as I know there are now no Government subsidies for the steel industry——

Mr. Kenneth Clarke: The hon. Gentleman has invited me to intervene and I am glad to say that I agree with him on this point. I understand that some German companies are complaining about the capital write-offs that took place in the past which they claim were unfair subsidies of the British steel industry against their steel industry. Those so-called capital write-offs were cleared by the British Government with the Commission and accepted by the Commission some years ago. We agree with the European Commission that the German complaints are completely unjustified. British Steel's present position has been fairly won in the market place and reflects great credit on all those in the corporation.

Mr. Crowther: I am happy to have that assurance. However, what worries me is that the Germans may well regard their allegations—false though they may be—as a good excuse for increasing the German Government's existing subsidies which assist their industry. I admit that those subsidies are indirect, but they are nevertheless substantial.

Because of the continuing excess capacity outside Britain, which will continue for some time despite the impending closure of the Krupp works at Rheinhausen, an attempted takeover of the British Steel Corporation from another country—probably Germany—is becoming more and more probable. I am worried by that because, from the German point of view, it would make sense. Also, American steel producers which, according to a recent report, are now operating at 90 per cent. of capacity, may be looking for a way of buying into the European

Community in much the same way as some Swiss companies are trying it on in the chocolate industry. That is another serious danger.

I am not concerned only about the British Steel Corporation itself. Like my hon. Friend the Member for Wentworth (Mr. Hardy) I am worried because the BSC stilll owns 50 per cent. of the shares in United Engineering Steels in our area. That company used to be mostly the British Steel special steels group. It is the biggest engineering steel producer in Europe. It is a successful company which, last year, made over 2 million liquid tonnes of steel, mostly in Rotherham. It made a pre-tax profit of over £36 million on sales of £577 million. It is the kind of operation that might well be attractive to predators who will think that they may get a foothold in that company by buying BSC shares. Again, that causes great concern. My constituents, and those of my hon. Friend the Member for Wentworth, who worked for United Engineering Steels are entitled to some assurance about the future ownership of the company in which they work.

I emphasise that it is not some sort of narrow chauvinistic nationalism that makes people like me worry about such matters. It is the simple conviction that Britain, British industry and the people who work in British industry still count for something in this world. They are entitled to a fair crack of the whip and to believe that the British Government are on their side, although we have seen little evidence of that recently. That may be an old-fashioned view, but it was the view of the Conservative party until it started to abandon all its traditional principles under the leadership of the present Prime Minister, who apparently thinks that a combination of empty rhetoric and wild gestures is an adequate substitute for the real policies which would allow British manufacturers to compete on equal terms with the rest of the world, instead of having to fight with their hands tied behind their backs.

At present, the British economy is more dominated by foreign-owned companies than that of any other country in western Europe. That is not something that we can be proud of as a nation. I am certainly not against foreign companies investing in new factories in Britain and creating new jobs, but I am very much against foreign companies buying British firms in order to manipulate them for their own purposes. If that were to happen to the British Steel Corporation, it would be an absolute disaster.

The Government proposals for handing over the Rover Group to British Aerospace contain no restriction whatever to prevent British Aerospace, on the expiration of five years, from selling the Rover business to anyone anywhere in the world who might be interested in buying it.

I believe that it is not a flight of fancy to suggest that in the foreseeable future vehicle manufacture, as distinct from vehicle assembly, could be coming to an end in this country. I do not want to see the steel industry, the most basic of all our industries, placed in the same hazardous position. The only way to make sure that that does not happen is to approve this amendment. If Government Members wish to demonstrate their patriotism tonight, they will vote for it.

9.15 pm

Mr. Hardy: I am delighted to follow my parliamentary neighbour, my hon. Friend the Member for Rotherham (Mr. Crowther), because he has quite properly drawn attention to the very real need for concern about the position in south Yorkshire of the larger part of United Engineering Steels. The Government have not been very helpful in dispelling the anxieties felt by the people working there, who have contributed to establishing world records, creating profits and providing Britain with a strategically important industry.

I was extremely sorry that in the last debate I was unable to intervene as I had hoped to during the speech by the Minister of State, Welsh Office, because it would have reduced the length of his speech. However, I can make the point now and remain entirely in order. It refers to the shareholding.

The Welsh Minister said—and I am sure that the Minister, in winding up this debate, may say—that the board of the British Steel Corporation is eager to see privatisation. He gave the impression, indeed, that it is more eager than the Government, because the Minister was prepared to wait until the climate was right, while Sir Robert Scholey and his friends appear to have wanted it yesterday whether the climate was appropriate or not. The reason may be that they feel that the precedents established in other privatisations mean that they will do very well out of it.

I wanted to tell the Minister, since I am an amateur historian—I stress the word "amateur"—that my observation of privatisations over the last few years shows that the Government have been applying the rules that were applied in the Nelsonian navy in terms of the distribution of prize money to the distribution of free shares in private industry. The arrangements for the privatisation of British Telecom, British Petroleum or any of the others seems to be closely in accord with the distribution of prize money earned by the flagships, the frigates and so on in the 18th and early 19th centuries, if not before.

The distribution of shares to people in higher positions is clearly a matter of great public interest. I am grateful that my attention has been drawn to the publication of the articles of association and the details of the share arrangements. I have only received a copy in the last two or three minutes. My constituents will be most moved by the fact that they are being offered £70-worth of free shares, plus a further £2-worth of shares for each year of service. Sir Robert Scholey must have been in the industry for about 40 years, which suggests that he will be given £150-worth of shares. Some of my constituents who have worked there only 10 years will receive £90-worth. That is not an impressive way of involving people in their privatised concern.

Will the basis of distribution of free shares in this document apply throughout the industry from the chairman to the apprentice? I am a little worried that the document states that BSC pensioners applying for shares will be allowed certain facilities. Will United Engineering Steels' pensioners—those who have retired since UES was established and who may have had 30 or more years' service with the corporation before that Phoenix manifestation—have that facility extended to them?

The Government have ignored the national interest. A few months ago, together with other south Yorkshire Members, I met the Engineering Employers Federation. We were astonished to learn that British industry could now provide armour plating from only two sources. The Ministry of Defence had become extremely worried about

[Mr. Hardy]

this diminution of our strategic capacity and it invited Thyssen of Germany to tender for the engineering steel required for our defence purposes. We established that under no circumstances would the Germans allow any other country, not even an ally or another member of the European Common Market, to tender for military requirements. That suggests how low our Government's concern has been for our strategic interests.

That is not the only reason why I support the amendment. I am glad to see the Under-Secretary of State present and he will know what I am about to say. The amendment refers to takeovers. I have no great faith that all captains of British industry are fit and proper people to run the industry upon which the country depends and on which many of our constituents depend for their livelihood.

Two years ago I hesitated before I joined the demand for a reference to the Monopolies and Mergers Commission when a company called Guinness took over a firm, Bells, which owned Canning Town glass works in my constituency—one of the most effective glassworks in Europe. Before I decided to join that demand, I wrote to Guinness to establish its intentions in respect of my constituency. I wrote two letters to the then chief executive and I was given firm assurances about its intentions. Guinness did not wait five years, which is why I am worried about a five-year golden share and why we need the protection which the amendment would afford.

The workers put their backs into the new company, demonstrated their success and more than passed the targets which the company set. The company gave such strong assurances that the ratepayers in my area gave it grants for additional work to improve the facilities at the plant. Towards the end of last year, the company announced that it was moving the administrative jobs, but it assured me that production would be untouched. Then in January came the decision to close the plant. Almost 500 jobs in Dearne valley, perhaps the area of highest unemployment, were destroyed.

When I complained, the chairman of Guinness announced that the company had never given me an assurance. Fortunately, I could present his letters which I also showed to the Under-Secretary of State. He knew that the company had behaved extremely badly when my hon. Friend the Member for Don Valley (Mr. Redmond) and I went to see him. That is one section of the captains of British industry on which we cannot depend for our national interest.

The Minister pointed out that it is not the Government's policy to intervene in these matters, and we know that all too well. We have very good cause to know it in areas like mine. It will not be in areas like mine where a large proportion of shares in BSC or those resulting from any other privatisation will be distributed. This will be grasped more readily in the areas that have been doing very well. Concern was expressed about the green belt in the south last night; that is the sort of area I am referring to.

I believe that the amendment is entirely justified. It protects the interests of communities that have contributed to the successful condition of British Steel. It gazes realistically at the position of British commerce and business today. Perhaps those who now direct large sectors of that industry might be more appropriately placed, if not at the tables of 10 Downing street then in the Old Bailey. I am not prepared to see the interests of my constituents sacrificed to the whim of those who will trade with only the shortest term consideration and my hon. Friends are to be congratulated on tabling the amendment.

When we tabled an amendment to the Gas Bill—now the Gas Act 1986—we proposed merely that the chairman or chief executive should be a British citizen. I was called a chauvinist when I moved that amendment in Standing Committee. The Minister mocked and attacked the suggestion, until I pointed out that we had taken the amendment literally from the Act that established British Telecommunications. I am glad that we are not being so modest tonight as we were in that Committee. I am delighted that we are suggesting that the directors of the successor company to BSC should be British citizens. If we had not proposed such an amendment, and if the Government do not accept it, the point made by my hon. Friend the Member for Rotherham becomes valid.

I have great anxieties about who will own the British steel industry in less than five years. Certainly I believe that there is a danger from the Germans, who know how effective our steel industry is, or that the Japanese may well look at the industry. Knowing what a soft touch we are, perhaps the next time that Nestlé and Suchard decide that they want to buy a British business, they may decide to demonstrate their interest in diversity and buy steel as well as chocolate in Yorkshire. That decision would be as logical as many made by British industry.

The amendment is valid. It should commend itself to every hon. Member who is interested in maintaining a strategic industrial capacity. Certainly I believe that it would be welcomed by those people who have made sure that British Steel is a successful industry, worth more than £2,000 million, which is the rather optimistic price that the Government will seek, according to my hon. Friend the Member for Great Grimsby (Mr. Mitchell).

By the time that the Government have carried out a few more dawn raids in Brussels, the price might have to come down—who knows?—but certainly it will be sold at far less than its value. The people who will be betrayed are those who contributed to its value in the first place.

Ms. Marjorie Mowlam (Redcar): In supporting amendment No. 5, we are trying to provide some protection for British Steel as a major United Kingdom industry, so that it functions in the interests of its past and present employees, its customers, and the United Kingdom economy as a whole. That is not for exports, but for the many firms that feed into British Steel. That is very important, both nationally and regionally. Many secondary and tertiary industries on Teesside are dependent on British Steel, and any change in the strength and market of British Steel would have dire effects on those industries.

By the amendment we are trying to make sure that the golden share is enshrined in a formal, constitutional way within the statute. As we have seen from the press releases that we have just obtained, it will exist for only five years. Why five years? Did the Minister pick that figure by luck, or by design? I hope that the Chancellor of the Duchy of Lancaster will explain and justify that period when he responds to the debate.

9.30 pm

The protection afforded by the golden share is important, and would be even more important if we had a decent Government. The 50·01 per cent. share gives us the chance of providing certain protections that are essential for the future of British Steel. First, it would provide parliamentary accountability, which is essential to the development of a major United Kingdom industry such as this. Secondly, it would maintain some formal links between Government Departments—especially the DTI —and the sponsorship of this major industry. Thirdly, it would provide additional shareholder protection. The golden share would help to inhibit price fluctuations caused by speculation. Fourthly, it would offer protection for non-shareholders. As with previous privatisations, the assets could be sold at substantial discounts. The golden share would prevent such assets being sold to overseas buyers and it would also prevent asset-stripping. These are all important reasons for protecting the industry as it moves forward into privatisation.

Other important elements must not be ignored. One is the importance of keeping British Steel as an integrated whole. Without such integration there will be problems with new products, marketing and developing new processes. Research and development—particularly on Teesside—and new capacity and facilities will not come about without protecting the nature of the integrated company and without the five plants remaining together. Integration is important also because it would mean that resource allocation and management decisions would be kept in the United Kingdom.

I hope that this protection will mean that other goods for the industry will be procured in the United Kingdom, and that research and development and the patents and licences that result from them would flow into the United Kingdom rather than out of it. The future development of the industry is important to my constituents in Redcar and to other hon. Members' constituents who depend on British Steel and on the secondary and tertiary industries which in turn depend on the company remaining integrated, not broken up.

Information technology is a good example of what happens when an industry moves to branch plants. It is bad for direct and indirect employment, for future competitiveness and for other United Kingdom manufacturers. I am sure the Minister knows of the report on software in information technology, which showed the sorts of dangers that would ensue for British Steel—the problems of technological dependency, partial supply and non-supply. We are worried that such problems would afflict the industry without the integration of its several plants spread around the country.

The golden share protects the integrity of the corporation. Without it the investment and confidence that are needed for the future of the industry will not exist. If the amendment is not accepted, I and my hon. Friends are worried that financial predators such as we saw in the Guinness and Westland affairs—or in dawn raids by Nestlé or Suchard—will feature in the future of British Steel, which would be a crime. For eight years we have suffered on Teesside, and without this amendment our future there looks bleak.

Mr. Morley: The amendment is a major step forward in what the Bill is attempting to do. It would give the Government the best of both worlds. We could argue that on the one hand they have a free standing company which operates without commercial restraint, and on the other they have the golden share and the option to make sure that whoever controls the company and is involved in it has some responsibility. Responsibilities are involved, such as the responsibility to my community. If the steel industry was removed from my constituency, it would take the very heart out of the constituency.

The Government have been consistent on these issues, as we have seen with Suchard and Rowntree, where they have shown not the slightest concern, but many hon. Members on the Government Benches have shown concern. I hope that they will show concern tonight by supporting the amendment and giving security not only to the steel industry but to the many communities which rely upon steel.

Mr. Kenneth Clarke: I wish, first, to answer a couple of points with which I shall not deal at length in my reply to the debate. I took note of the point made by the hon. Member for Wentworth (Mr. Hardy) about employee shares. We shall return to that later in a debate on a suitable amendment. I accept that he is interested in what has been announced today in answer to a parliamentary question on employee shares. At this stage I can assure him that the availability of shares to employees will be on an equal footing with management throughout the rest of the company. Management will have no special rights.

I also know of the hon. Gentleman's great concern about the circumstances in which Guinness took over the company which owned Canning Town glass works because my hon. Friend the Parliamentary Under-Secretary of State has discussed the case with me. Obviously this is not the time to discuss that further. I do not think that it is right to generalise, as the hon. Gentleman did, about all takeovers.

The hon. Member for Redcar (Ms. Mowlam) also raised a point, which I shall not deal with at length, about the need to keep British Steel as an integrated whole. I wish that she had been here earlier for the debate on new clause 1 which arose out of a desire of certain of her hon. Friends to see the company broken up when it is privatised. I should like to pray her in aid in saying that, whatever else happens to British Steel, at the moment it is in the national interest that it is privatised as one unit and not broken up.

The debate was really about special shares. First, I must congratulate the hon. Member for Great Grimsby (Mr. Mitchell), as usual, on carrying the heat and burden of the day on the Bill. I regret that the hon. Member for Glasgow, Cathcart (Mr. Maxton) has not returned. He teased me earlier by saying that I would vanish to have a large meal and a cigar. I have had the cigar, but I have not had the meal. I assume that the hon. Gentleman is having a good meal, wherever he is.

Apart from his leg pull, the hon. Gentleman accused me, as did the hon. Member for Rotherham (Mr. Crowther), of discourtesy to the House by giving details of the special share in a press notice this afternoon. I think we followed the usual convention in this place: that no announcement is made to the press until an announcement has been made to the House. There was a parliamentary question today, answered at 3.30 pm. I believe that hon. Members can always browse through the day's answers in the Library when they come in at half-past three. The parliamentary answer was followed by a press notice. I am

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glad that it came to the notice of both hon. Gentlemen, which means that they know the nature of the special share which we propose.

We begin at least with agreement. The Government have accepted—as I said on Second Reading that we were considering, and as my hon. Friend said in Committee—the case for a special share. As the hon. Member for Rotherham has discovered, we propose to put in the articles of the company a provision which will restrict individual shareholdings in the company to a maximum of 15 per cent. of the equity and to retain that special or golden share for a period of five years.

In several of the privatisations that the Government have taken through, we have included varying provisions for special or golden shares. As the hon. Gentleman said, no pattern has emerged because we have held that each industrial situation and each company should be judged on its merits. Our policy is as far as possible to put privatised companies into the position of any private sector company.

To varying degrees, in different terms and with different companies, we have had a look at the situation and have decided that, usually for a limited period, some sort of restraint is required on the ability of outside companies to make bids for the acquisition of other companies. In terms of British Steel, we have come up with the formulation that I have described. I shall shortly explain why we have done that. Our suggestion does not match the Opposition amendment that we are discussing. I suppose that it differs in one very significant respect because what we propose will not discriminate between British holders of equity and overseas owners of equity. We see no case for doing so in the case of British Steel because we see no defence or strategic interest in British Steel. It is a Bismarckian view to regard steel as one of the key defence industries. Many private sector steel companies have no restrictions on foreign ownership.

Mr. Crowther: I am astonished that the Minister can say that the steel industry, of all industries, has no strategic importance. Can he tell us any type of weapon that does not have steel in it?

Mr. Clarke: In terms of modern warfare, electronics is probably more important than steel and more difficult to get in the required quality, whereas the world is somewhat awash with steel of varying qualities. I am not a defence expert and the hon. Gentleman may be ahead of me in that respect, but I think that he is thinking in terms of the Franco-Prussian war rather than in terms of today's warfare.

I have recently detected to a growing extent that the Opposition are going through one of their fits of slightly anti-foreign fervour when they speak about industrial policy. The Conservative party is the patriotic party of Britain and we demonstrate that quite frequently. The Labour party goes into occasional fits of chauvinism where suddenly everyone across the Channel is some sort of dread threat to British industry. In this case, I do not think that we should go as far as the Opposition want us to go and place restrictions on foreign ownership or say that no director should be a non-British citizen. It is quite absurd to say that there should not be an American, let alone a European, director. It is absurd to say that one should have to produce a passport before one can become a director and that shareholdings should be restricted.

This is a somewhat unsuitable time for the Labour party to go through one of these anti-foreigner fits, because we are presently contemplating the implications for British industry of 1992 and the European single market. We wish to see, perhaps, much stronger Europewide companies that can compete with the Japanese and the Americans, and this is not the time to impose fancy restrictions about foreign shareholdings. Presumably such restrictions would apply to citizens of the Irish Republic and Germany and to French companies.

The hon. Member for Motherwell, South (Dr. Bray) has not agreed with a great deal of what I have said about the Bill. He quite rightly touched on the possibilities of Europewide integration in the steel industry. He contemplated his hobby horse of a Ravenscraig-Shotton-Dalzell company perhaps linking up with Europeans. British Steel has made it clear that it is not opposed to overseas participation in the equity of the company. I think that the hon. Member for Motherwell, South and I agree that as a private company British Steel may well contemplate some overseas acquisitions and buy into the European steel industry in order to strengthen its position in the European market.

Whatever else we are looking at in the special share, we should not be looking at a tight little national, British holding and we should not be averse to all overseas holdings or overseas equity investment on the scale that the Opposition amendment would seek to rule out. If we are contemplating a British company taking shareholdings in Europe, we cannot possibly start laying down legislative or other restrictions on European shareholdings in Britain. It is a mistake to discriminate against foreigners whether it applies to the nationality of the directors or to overseas holdings or anything else. As I said, there is some agreement between us because upon consideration we have accepted the case for having a special share in British Steel.

We have time-limited the share because we contemplate that British Steel will eventually be a private sector company like any other and should be open to all the commercial pressures that we believe improve a company's performance. Among the pressures to which management should be subject is the ordinary need to compete for market share and to achieve a decent return on capital by producing the right products and selling them in the market place, but, if performance falls, the threat of possible acquisition by people who believe that they can improve the performance of the company and who appeal to the shareholders with the prospect of acquiring the company and improving its performance is a perfectly legitimate commercial pressure.

I do not believe that all mergers are undesirable. Occasionally, the House goes into a fit to try to restrain them. Managers are usually against takeovers of their companies. If I were the manager of a company, I would want to resist anything other than a welcome acquisition of my company, because my position might be threatened. The pay and taxation of British management have now become extremely attractive and high rewards are available for high performance, although managers who take those rewards are not entitled to consider themselves as having a job for life, free from their shareholders being able to look to someone else who might acquire the

company and improve the management performance, if that person thinks that he can do better. In most cases, those privatised companies should be open to the same perfectly desirable pressures.

We have opted for the special share because we believe that too early a bid might be disruptive. It is fair to give a reasonable time for the company to become established as a private sector company before it is opened to those pressures. We are privatising British Steel at a time when there is still excess capacity throughout the European market. Some other European countries must face up to the need to shed unprofitable excess capacity which is no longer producing products that can be sold. We cannot return to a stable market until that has been done. We wish to protect ourselves against the prospects of the acquisition of British Steel by someone seeking to acquire it for the purpose of closing down capacity. That is a perfectly legitimate point, and another reason for having a time-limited anti-takeover provision.

The hon. Member for Redcar asked why we had chosen five years. There is no right time. We hope that eventually British Steel will act in the market like any other private sector company. Within five years, I very much hope that the excess capacity problem will have been resolved, and I believe that five years is long enough to give what might be described as a fledgling company to establish itself in the market place and to get rid of the risks of purely predatory bids designed to cut capacity.

Dr. Bray: Will the Minister make clear the apparent limitation of the special share that he is proposing? Will he confirm, first, that the Government are able to agree to a person holding more than 15 per cent? They can agree to that at any time, so there is only the possibility that they might block a takeover bid. Secondly, will he confirm that the special shareholder will have no other rights in respect of other provisions in the articles or in respect of voting and that, in other words, it is solely a possible blocking function in respect of a person holding more than 15 per cent?

Mr. Clarke: The hon. Gentleman is quite correct, but I shall not go into that in detail now. It may be a further point of division between us.

On the hon. Gentleman's second point, we do not intend to use the special share for the purpose of intervening in the company's commercial decisions. That is a case of division between the Government and, for example, the hon. Member for Great Grimsby, who believes that the Government should continue to exercise an influence. We do not intend to do that through our policy.

With regard to the hon. Gentleman's first point, certainly there is only a right to use the blocking mechanism. If the Government chose not to exercise that right, we would be answerable to the House for our decision if for some reason a larger than 15 per cent. holding was not contrary to the national interests or the interests of steel consumers or employees. The hon. Gentleman's description was quite right.

Finally, I want to consider why we have not included the special share in the Bill but are merely undertaking via a parliamentary answer to include it in the articles of association. I hope that hon. Members will agree that that is a technical point. A parliamentary reply to a question is binding and we intend to include the special share in the articles of association.

The suggestion was raised in Committee that the golden share might give rise to litigation. No doubt we have all taken legal advice. However, anything can give rise to litigation, as lawyers are always happy to say. The prospects of litigation of the kind that hon. Members fear is slight. People who take shares in the private sector company when it is floated will be aware that they are taking shares in a company within which there is a special share. I am advised that they would have no prospect of redress if subsequently they tried to claim that the use of the special share was contrary to the overriding interest of the company to act in the interests of the shareholders.

There is at least some agreement between the Government and the Opposition on this amendment. The disagreements are about foreign holdings and foreign management. We see no reason to be against that in principle, but we see a need to protect the company against takeover while it is a fledgling industry. We see a need to protect the company while there is an excess capacity problem and the risk that competitors will buy the company to close it down. At least we have gone part way towards meeting the Opposition. I await the Opposition's response. Perhaps we will end on a note of happy accord.

Mr. Austin Mitchell: If the Minister calls that moving part way, I am not sure what he would call long-distance running. The Minister's response was pathetic. It is no wonder that he had to trail his parliamentary answer this afternoon—which was itself a shabby device—so that we should not be too stunned by incredulity at the inadequacy of his comments. To assume that we were thronging the Library at 3.30 pm to skim through the parliamentary answers is an excuse designed to disguise the total shabbiness of the manoeuvre of leaking information in that way.

It is always possible to tell when something nefarious is afoot. It is leaked in a written answer to a stooge question asked by a page boy in this particular case—*[Interruption.]* Ministers could have given us information in Committee. They dared not do that. They held out grandiose prospects of a golden share with real meaning, because they knew that if they told us the reality they would have to face long barracking opposition in Committee rather than the co-operation that they received. They knew that they would have to face much more hostility.

As defined in the Bill, the golden share is practically useless. It goes no way towards meeting the proposals that we have put forward. The limitations that the Minister revealed about the golden share in response to questions from my hon. Friend the Member for Motherwell, South (Dr. Bray) are pathetic.

It is not that the mountains of labour have produced a ridiculous mouse. The mouse does not even have a squeak. It is a pathetic creature. When we consider the golden share, we must bear in mind the nature of the world into which the BSC will be turned loose as a public limited company. It will not be sold to Sid like British Telecom or British Gas. Sid is not in the market. I imagine that Sid's hands are firmly in his pockets, if he has any sense.

The Minister clearly does not want to sell the company to the small shareholder. It is also clear from the parliamentary answer that he does not envisage much

[Mr. Austin Mitchell]

employee participation. The gesture made to employees in the parliamentary answer is insulting. Seventy pounds worth of free shares and a further £2 of shares for each year of service is insulting as a gesture to those who have worked in the industry, seen it slimmed down and their jobs threatened. Nothing is offered to those who have sacrificed their jobs in the massive rundown of the industry that has taken place under this Government.

That share offer, which we shall be discussing tomorrow, is an insult. However, it is clear that a small shareholder company or an employer participation company is not envisaged. It will be a company for the big boys, turned loose for the big investors—the top 1 per cent. of the population, the institutions, and possibly, because the steel industry is an incestuous world, its competitors, too. We want to guard against that. In an area where big investors will be operating and in which British Steel will not have a broad shareholding base—which is what the Government wanted for British Telecom—there is a danger that it will fall prey to the wrong people. That is why we want the safeguards in our amendment.

Steel is a tough and peculiar industry. It is conventional to distance oneself from competitors by an occasional punch in the ribs and a sally of exports into competitors' markets. It is also conventional to take shareholdings in one's rivals, to damp down competition and to maintain cartel-like relationships. The danger is that competitors will take a stake in British Steel—particularly European competitors, because they are the closest and those with which British Steel is in most intense competition for its markets.

It is our contention that control of British Steel should remain in this country. Only British investors and the Government of this country have the interests of the nation in mind. It will be in the interests of others to take a stake in British Steel, perhaps to increase the company's prices, to dampen the competition that it poses and to reduce its exports. It may be their intention not to invest in British Steel but to run it down. Foreign shareholders do not want a healthy foreign competitor, and if they take a stake in British Steel it will be with those intentions in mind. We want to safeguard against that situation by means of the golden share.

It is also possible that foreign shareholders will wish to take a stake in British Steel for financial reasons. It will be possible for them to demand the maximum return and maximum dividends on the minimum investment, and to require that British Steel is run in such a way as to cream off the market rather than to build up the industrial strength of this country.

Contrary to what was said by the Minister, there is also a defence interest. By weakening the industrial capacity of this country, the Government have practically eliminated our ability to fight a war or a sustained conflict. They have decimated engineering and shipbuilding and done much damage to our steel-making capacity. It comes ill from such a Government to say that steel is not essential in the fighting of any conflict or in any other military endeavour. Steel is the very sinews of war. It would have been impossible to undertake even the Falklands conflict without it.

Mr. Kenneth Clarke: I have already made the point to the hon. Member for Rotherham (Mr. Crowther) about the dated nature of his argument. Defence sales represent about 5 per cent. of British Steel's turnover. The Ministry of Defence could decide, for purposes of tendering, to extend competition to German firms, for instance, because it must be remembered that the Germans are on our side now. West Germany is a friendly nation.

Mr. Mitchell: I am glad that the Minister is able to give me that permanent guarantee, and I look forward to exercising it in the future. Special steels in particular—it is a highly specialised field—are essential to any defence capability. For that capability to slip outside the control of this country will mean a loss of national sovereignty and of power. We cannot fight a sustained conflict without a steel industry. We want that industry to be sustained under British control and British investment. It must not become prey to competitors in the way that is likely to occur unless the special share is written into the Bill.

We want British Steel to produce to capacity as part of British manufacturing industry. Steel is a cyclical industry. If it is producing to capacity, money pours out of its ears, but if it is producing under capacity, it becomes a bottomless pit into which one must throw money. That is one risk, but the risk also is that under this Government British Steel faces a very hard future until we have a Labour Government in the 1990s dedicated to rebuilding Britain's manufacturing and industrial strength. That Labour Government will want a powerful, independent, British steel industry to produce the sinews of our manufacturing strength. That is why we shall pursue the amendment in the Division Lobbies.

Question put, That the amendment be made:—

The House divided: Ayes 198, Noes 240.

Division No. 309] **[10 pm**

AYES

Abbott, Ms Diane	Clelland, David
Adams, Allen *(Paisley N)*	Clwyd, Mrs Ann
Allen, Graham	Cohen, Harry
Alton, David	Cook, Frank *(Stockton N)*
Anderson, Donald	Corbett, Robin
Archer, Rt Hon Peter	Cousins, Jim
Armstrong, Hilary	Cox, Tom
Ashley, Rt Hon Jack	Crowther, Stan
Ashton, Joe	Cummings, John
Banks, Tony *(Newham NW)*	Cunliffe, Lawrence
Barnes, Harry *(Derbyshire NE)*	Dalyell, Tam
Barron, Kevin	Darling, Alistair
Battle, John	Davies, Ron *(Caerphilly)*
Beckett, Margaret	Davis, Terry *(B'ham Hodge H'l)*
Beith, A. J.	Dewar, Donald
Bell, Stuart	Dixon, Don
Bennett, A. F. *(D'nt'n & R'dish)*	Dobson, Frank
Blair, Tony	Doran, Frank
Boateng, Paul	Douglas, Dick
Boyes, Roland	Dunnachie, Jimmy
Bradley, Keith	Dunwoody, Hon Mrs Gwyneth
Bray, Dr Jeremy	Eadie, Alexander
Brown, Gordon *(D'mline E)*	Eastham, Ken
Brown, Nicholas *(Newcastle E)*	Ewing, Harry *(Falkirk E)*
Bruce, Malcolm *(Gordon)*	Fearn, Ronald
Buchan, Norman	Field, Frank *(Birkenhead)*
Buckley, George J.	Fields, Terry *(L'pool B G'n)*
Caborn, Richard	Flannery, Martin
Campbell, Ron *(Blyth Valley)*	Flynn, Paul
Campbell-Savours, D. N.	Foot, Rt Hon Michael
Canavan, Dennis	Foster, Derek
Carlile, Alex *(Mont'g)*	Foulkes, George
Clark, Dr David *(S Shields)*	Fraser, John
Clarke, Tom *(Monklands W)*	Fyfe, Maria
Clay, Bob	Galbraith, Sam

Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Mildred
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Heffer, Eric S.
Henderson, Doug
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McFall, John
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Brien, William
O'Neill, Martin
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Dawn
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Robertson, George
Robinson, Geoffrey
Rooker, Jeff
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Vaz, Keith
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Allen McKay.

NOES

Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Atkins, Robert
Atkinson, David
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Body, Sir Richard
Bonsor, Sir Nicholas
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Burns, Simon
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chalker, Rt Hon Mrs Lynda
Chapman, Sydney
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Cormack, Patrick
Couchman, James
Cran, James
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Hill, James
Holt, Richard
Hordern, Sir Peter
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kilfedder, James
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
McCrindle, Robert
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Moate, Roger
Monro, Sir Hector
Morrison, Hon Sir Charles
Morrison, Hon P *(Chester)*
Moss, Malcolm
Mudd, David
Neubert, Michael

Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Paice, James
Patnick, Irvine
Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Price, Sir David
Raffan, Keith
Rhodes James, Robert
Riddick, Graham
Roberts, Wyn *(Conwy)*
Rowe, Andrew
Rumbold, Mrs Angela
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Skeet, Sir Trevor
Speller, Tony
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Watts, John
Wheeler, John
Whitney, Ray
Widdecombe, Ann
Wolfson, Mark
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. David Lightbown and
Mr. Richard Ryder.

Question accordingly negatived.

It being after Ten o'clock, further consideration of the Bill stood adjourned.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the British Steel Bill and the Matrimonial Proceedings (Transfers) Bill *[Lords]* may be proceeded with, though opposed, until any hour.—*[Mr. Peter Lloyd.]*

British Steel Bill

As amended (in the Standing Committee) again considered.

Further consideration of the Bill adjourned.—*[Mr. Peter Lloyd.]*

Bill to be further considered tomorrow.

Joint Research Centre and the EUREKA Programme

10.12 pm

The Parliamentary Under-Secretary of State for Industry and Consumer Affairs (Mr. John Butcher): I beg to move,

That this House takes note of European Community Documents Nos. 9454/87 and 5616/88 on the Joint Research Centre and 10845/86 on EUREKA and Community Science and Technology; and supports the Government's aims of raising the quality and relevance of the work at the Joint Research Centre and of using EUREKA to help British industry become more competitive in world markets.

Mr. Nigel Spearing (Newham, South): On a point of order, Mr. Speaker. The motion refers to European Community document No. 5616/88. The Scrutiny Committee has not looked at that document, which recently arrived at Whitehall. The explanatory memorandum was issued within the past two or three days. Had the Scrutiny Committee been able to see the document last Wednesday it might well have concluded that this matter did not materially affect the course of the debate, but the debate on the document occurs a little too soon. Perhaps the Minister will comment on that and on the timetable of the debate in relation to the decision in Brussels, with which it may well be connected.

Mr. Alan Haselhurst (Saffron Walden): Further to the point of order, Mr. Speaker. I take the point made by the hon. Member for Newham, South (Mr. Spearing). As a member of the Select Committee on European Legislation, I should like to raise a similar matter in connection with this document. There is at least one other document which the Scrutiny Committee has recommended should be considered by the House—that on the mutual recognition of higher education diplomas. That matter will be decided within a short time by the European Council and has been recommended for debate, yet we have not been given the opportunity to discuss it. This seems to be an odd juxtaposition of business.

Mr. Speaker: I am sure that the Minister has heard what has been said. The motion is in order.

Mr. Butcher: It may be helpful if I deal immediately with the matter raised by the hon. Member for Newham, South (Mr. Spearing) before going into the main body of my speech.

European Community documents Nos. 9454/87 and 5616/88 deal with the Joint Research Centre. The first document forms the original basis for the debate on the JRC. I am aware that the second document, 5616/88, has not yet been considered by the European Legislation Committee. I apologise for the fact that we have not given the Committee time to give us the benefit of its advice on this second document, which contains slightly amended proposals on the JRC. It was only recently provided by the Commission. After careful consideration, we did not consider that it merited postponement of the debate, in view of the pressure on the Parliamentary timetable and, more important, so that we could have the view of the House well in advance of the next Research Council meeting, which will be on 29 June, when further negotiations are scheduled.

We shall be delighted to receive any further observations of the Committee well in advance of that date, if that is its wish. The House has exercised its right in the highest form by debating these two issues this evening. I assure the hon. Member for Newham, South that my hon. Friends and I will carefully examine the record of this evening's exchanges. We will find it helpful to have that in advance of our negotiations on 29 June.

Mr. Haselhurst: I am grateful for what my hon. Friend has said, but he will understand the perplexity of members of the European Legislation Committee when there is uneven treatment by the Government of measures that are put forward. We are not ungrateful for the fact that the House has been given the opportunity to discuss this matter, but it is odd that it should be discussed before the Select Committee has seen the document, especially when there are the measures to which I referred on a point of order which we recommended for debate but which have not been considered.

Mr. Butcher: I shall draw to the attention of my right hon. Friend in another Department the subject matter on which my hon. Friend would like a debate. However, as I said in my response to the hon. Member for Newham, South (Mr. Spearing), there was a delay in the documents coming from the Commission. My right hon. Friend the Chancellor of the Duchy of Lancaster explained the complication and the difficulties of the time table in a letter to the Committee. I readily conceded that under more ideal circumstances this should not happen, and we will take into account the views expressed for by the House. As requested, we have supplied the day for the debate. I hope the House will consider that I have observed the courtesies in that explanation to the hon. Gentleman and that I can now proceed to explain what these two issues are all about.

Mr. William Cash (Stafford): I am also a member of the Select Committee on European Legislation. Although we understand the position as expressed by my hon. Friend, the fact remains that, as we move nearer to the implementation of the internal market, with the increased use of article 100A and the accelerated procedure that that must involve, there will clearly be a greater need for closer observation of the requirements that have been laid down by resolution of the House. Further, there is a strong case for the changes in the terms of reference of the Committee to ensure that, in the avant-project stage,. there is greater opportunity for consideration of those matters that cannot be met exclusively by other Parliaments. The Committee needs to be fully involved at an earlier stage. I hope my hon. Friend will accept that as a short interruption, but one that I regard as highly important.

Mr. Butcher: My hon. Friend has made a valid point. I do not disagree with a word of what he has said. There is the additional factor of the sheer volume of measures, directives and papers that are now emerging. This means that all Whitehall Departments must be vigilant in ensuring that the Scrutiny Committee and, if it so recommends, the House have ample opportunities to look at those well in advance, if necessary, of decisions being made.

As I explained earlier, we are dealing with two issues tonight which bring together two very different ventures which in some ways characterise the old and the new approaches to European collaboration in research and development. What both have in common is that they need to remain flexible and attuned to Europe's needs. It is illuminating to compare and contrast the two.

The first is the European Community's Joint Research Centre. It is the Community's own public laboratory, financed by the Community member states, with the European Commission bearing responsibility for its overall management. Long-established, it seems increasingly to have lost its way and is now failing to respond to the Community's needs. The Commission's proposals seek to correct that state of affairs.

EUREKA, on the other hand, is a very much newer and different venture. It brings together European industrial partners, both from within the Community and outside. It avoids bureaucratic central control. Responsibility for initiatives rests with the industrial participants themselves and flexibility of response is very much the keynote of its success. The Commission document addresses the specific aspect of co-operation between EUREKA and the European Community.

The JRC is a considerable undertaking, with four laboratories in different member states of the Community —Ispra in Italy, Karlsruhe in the Federal Republic of Germany, Geel in Belgium, and Petten in the Netherlands.

The JRC's last four-year research programme, covering the years 1984 to 1987, showed a total staff complement of 2,260, of whom about three quarters were at the largest laboratory at Ispra and with a central management team in Brussels. Total expenditure was some 700 million ecu, roughly 26 per cent. of the Community's total R and D expenditure at that time.

It is not possible to understand the problems that we are facing at the JRC today without going a little further back into its history. It was established in 1957 for the joint conduct in the European Community of nuclear research for peaceful purposes. In the 1950s nuclear power was a young science and the many important subsequent developments in the safe generation of nuclear energy were still in the future. By the late 1980s the nuclear industry is, by any standards, mature and the nuclear research community in all countries has developed with it.

At the JRC, however, one might be forgiven for thinking that time has stood still. It is true that the range of its activities has widened, but as recently as the period 1984 to 1987, 60 per cent. of the JRC's research programme remained in nuclear fission and reactor studies, with a further 7 per cent. concerned with nuclear fusion. Non-nuclear energy studies accounted for a further 6 per cent. Some 14 per cent. was concentrated on the environment and only another 14 per cent. was devoted to research into industrial technologies.

In short, the JRC has not diversified its activities as have comparable public laboratories in the United Kingdom and elsewhere. It has not stayed in step with the rest of the Community's R and D effort, which is directed ever more to improving the competitive position of European industry.

That is not acceptable for what, under the Commission's proposal, amounts to nearly 1 billion ecu of expenditure—or £700 million—at the JRC between 1988 and 1991. We are, therefore, looking to the JRC to earn an increasing share of its expenditure from external customers and to accomplish more from the still substantial financial resources that would continue to be provided by the Community's framework programme. Despite growth in external earnings, those resources are expected to amount

[Mr. Butcher]

to about 700 million ecu—£500 million—or some 13 per cent. of the framework programme. Only the ESPRIT programme of 1·6 million ecu is larger. The United Kingdom has been outspoken in its criticisms and in pointing out that this unhappy situation cannot continue, and we are now far from alone in making that judgment.

Last year a panel of distinguished European industrialists prepared a report which was sharply critical of the JRC. They advocated major reform. They urged faster movement towards a larger proportion of external contracts for customers outside the Commission. Other Community member states have similarly stressed the need and the Joint Research Centre's own board of governors —which is at present more an advisory body than a governing board in the true sense.

I am glad to say that in its proposal the Commission faces the need for change. It provides a good basis for further discussion, even though it does not go as far as we believe is required. Above all, we need to make faster progress and to see a greater sense of urgency on the Commission's part.

We accept that change at the JRC cannot happen overnight, but the problems have been allowed to slip for too long. Our public laboratories in this country started long ago to adopt a more commercial approach to their work. The JRC has to face change which may be more harsh than if it had been tackled earlier. Now is the moment when the JRC must be given clear guidelines for the future.

The Commission has a key responsibility. The Single European Act highlighted its role in the management of the Community's joint R and D effort. It should make no mistake. The JRC, representing such a large proportion of that total effort, will demonstrate whether or not it is prepared to discharge that responsibility effectively.

It is our intention to work rapidly towards the conclusion of an agreement with the Commission, the European Parliament and other member states which will set the targets for a Joint Research Centre that will increasingly show real vitality and responsiveness to customers' needs.

We shall expect the Joint Research Centre to go after more demanding targets for growth in external contracts and to accept tighter financial targets overall. We are looking for a target that by 1991 at least 20 per cent. of the JRC's turnover will come from work for public or private customers external to the Commission. This is a demanding target, but not an unreasonable one. Only in this way can we be sure that the stills at the JRC will be more widely tested as well as becoming more widely available.

We shall expect clear-cut principles governing the JRC"s relationship to the customers for its work. These customers must include the various directorates general of the European Commission, which must be free to turn to laboratories other than the JRC if they consider their research needs would be better met elsewhere.

We shall expect a more rapid turnover of staff. Some members of staff may wish to leave. New blood will be required as well. The JRC must have the right staff with the right disciplines. Its staff costs must come down.

We shall expect the JRC management to be given clearer responsibilities, to pay more heed to the advice of customers and experts from Community member states, and to demonstrate the ability to improve the quality of JRC research in areas where it has been deficient.

We shall expect the executive role of the board of management to be strengthened too.

Mr. Tam Dalyell (Linlithgow): As a member of the indirectly elected European Parliament Budget Committee who on several occasions has been to Ispra, may I ask whether the Minister agrees that the root of the matter is Italian law and all its difficulties? The Minister says that we must have a turnover. It is difficult to get any kind of turnover once one accepts that Italian law operates, at any rate in relation to local employees. Having tried, as a Member of the European Parliament, to negotiate with the Italian trade unions, let me say that it is extremely difficult to get things changed as the Minister is suggesting.

Mr. Butcher: If tonight we were looking for a model of the sort of operation and apparatus that we should like to see, we need not go further than an establishment not too far from the constituencies of the hon. Members for Linlithgow (Mr. Dalyell) and for Motherwell, South (Dr. Bray)—the National Engineering Laboratory. It and other research establishments have responded positively to the freer movement that is now taking place in engineering disciplines. They are responding to the market, looking for external contracts and are being successful.

I do not wish to go into the question of Italian practices. On many occasions we have debated Spanish practices. The question of employment conditions in Italy as they affect research-based workers must be addressed within the new disciplines that we are putting before the House tonight. In rehearsing our negotiating stance, those who will pursue the negotiations are aware of these questions. Perhaps they do not have such vivid experience as the hon. Gentleman, but I assure him that his point will not be lost on those who speak for us in the third week of June.

The United Kingdom wants to see in the JRC a modern, worthwhile, scientific institution. We want to see relevant research programmes, effective management, and an efficient operation. I hope that this will not be the last chance to get it.

EUREKA is an initiative presenting unique opportunities and challenges to British and European industry, as I shall briefly explain to the House. Established in 1985, with considerable United Kingdom influence, EUREKA's goal is to help Europe compete with the rest of the world and to win markets for advanced technology goods and services. This can be achieved only by strengthening European and United Kingdom industrial productivity and competitiveness, and by exploiting the single market as a springboard for worldwide sales. EUREKA's purpose, therefore, is to foster and facilitate pan-European collaboration in high-risk, technical projects. But the choice of projects is left to industry—the so-called "bottom-up" approach.

Fostering projects does not create wealth. Profits come only from successful exploitation in the market place. EUREKA aims at achieving that outcome through a flexible, collaborative framework within the 19 member countries. The driving force comes from industry, with national Administrations and the Commission playing an important role, making sure that the economic conditions are right and that the European market is ready for exploitation.

What does EUREKA provide in the way of incentives for industry to take up the challenge of pan-European collaboration? First, it provides a network of national EUREKA offices for bringing projects and partners together. Secondly, and most important, it provides supportive measures. Put simply, these are steps taken by Governments towards improving a project's commercial prospects; for example, the adoption of a new common standard or regulatory measure. Lastly, EUREKA offers political commitment from all 19 member countries and the Commission, which is a member in its own right, to removing obstacles to collaboration, and ultimately commercial exploitation.

The real hallmark of EUREKA is the nature of its projects, which are industry led and market driven. Participants are free to manage them as they wish with the minimum of red tape. The projects can be in any area of advanced technology and can cover the full spectrum of research and development. There is no central bureaucracy for the participants to deal with, no single pool of funding with conditions attached that the participants must meet, no preconceived strategies or limitations imposed on them, no prescribed EUREKA contract restricting their freedom to negotiate, and no regulations on the way participants establish and run their projects.

I have already said that EUREKA is not simply a funding mechanism. Firms wishing to make their own private financial arrangements are free to participate in and benefit from EUREKA, just as much as those being publicly funded by their national Governments. Each member country is free to make its own funding provisions for her national participants.

This, then, is the theory of EUREKA in outline. But is it working? The answer so far is clearly yes, for there are now more than 160 agreed projects, involving a total estimated investment cost of nearly £3 billion. Most projects have a duration spanning two to five years. Most of them are therefore still at the early stages, but the signs already point to these projects having a major impact in the future. Just over half these projects involve estimated costs of under £7 million. In another third, project costs lie between £7 million and £35 million, and for the remainder the costs are still bigger, with four projects exceeding a forecast spend of £70 million. Even more pleasingly, British participants are involved in one third, or 56 of these projects, 14 being United Kingdom-led and having an estimated total investment cost of £1·1 billion.

To give the House a flavour of the project mix so far, about 35 per cent. are in information technology, 18 per cent. in robotics and manufacturing, 13 per cent. in biotechnology, 12 per cent. in new materials and the rest mostly cover lasers, energy, telecommunications and the environment. Specific examples involving the United Kingdom are HDTV which is a European competitor to the Japanese and American versions of the next generation of TV for the 1990s, EUROLASER or the application of lasers to industrial production technology, and FAMOS, or new flexible, automated manufacturing systems.

Through that outline description of EUREKA I hope that I have helped the House to understand better what makes EUREKA so special and the reasons why it has a priority role in my Department's research and technology initiative. It ensures that United Kingdom firms form part of a stronger European technological capability through industry-led projects with European partners, and that United Kingdom firms are well placed to take advantage of the completion of the single market.

As the motion states, my Department's aim is to use EUREKA to help British industry become more competitive in world markets. Through EUREKA our innovators can combine strengths and share risks with their counterparts in Europe, free to profit from their undoubted talents and enterprise, through the critical mass and synergy which characterise all EUREKA projects. The rest of Europe is taking up the EUREKA challenge, and British firms must do the same if they are not to miss the boat.

Mr. John Marshall (Hendon, South): Does my hon. Friend accept that, in addition to the advantages that he has enumerated, there is evidence from those who have attended debates in the European Parliament, as I have done, of the coming together, perhaps for the first time, of our parliamentary colleagues in the European Parliament and ourselves in looking to opportunities in the regions and in our constituencies? Collaboration between European and Westminster parliamentarians can provide the basis for an active role in furthering the process that my hon. Friend has been outlining tonight.

Mr. Butcher: My hon. Friend makes an excellent point. The additional advantage that accrues to these projects is that they extend outside the 12 or 13 countries within the Community.

I know that our colleagues in the House who have strong connections with Europe have mainly become great supporters of EUREKA, not least because at the beginning it was seen as a counterbalance to the growing strength of American research and development work in certain key technologies. It is to the credit of those who saw EUREKA as a major opportunity—I see my right hon. Friend the Member for Chertsey and Walton (Sir G. Pattie) here today—that the programme has moved so fast and so many excellent projects have been brought forward already.

From what I have said, the House will be clear that EUREKA is quite different from other collaborative programmes, such as Community research and development, of which the JRC is a part. EUREKA is not in competition with these other programmes. It complements them and provides a major route for exploiting the pool of raw technology coming through from these other programmes. This applies particularly to the exploitation of the fruits of the Community's research programmes, which point leads me to the third document, 10845/86, concerning links between EUREKA and Community science and technology.

The Government's view is that these links will become clearer through following the case-by-case approach, as the Research Council concluded in December 1986. Since then, there has been very little progress. However, I am pleased to inform the House that, following the most recent meeting of the Research Council on 11 April 1988, the Commission will be bringing forward new proposals for clarifying these matters.

Mr. Dalyell: What, in the Government's view, is the reason for the delay since 1986?

Mr. Butcher: The various partners have been anxious that the EUREKA programme should be complementary

[Mr. Butcher]

to other programmes. There has been a continuing discussion about the relationship of ESPRIT, BRITE and other aspects of the framework programme. If there has been crab-like progress in the interim, that is because Ministers from different countries may have wanted value for money and non-duplication of resources. That is my assessment of one of the major factors. The Government's view is that these links will become clearer by following the case-by-case approach. There seems to be no dissension about the fact that that process has served us well.

We wish these proposals to recognise that EUREKA is indeed a natural route for exploiting the results of Community R and D, and also that some of the R and D needs identified by work under EUREKA could be more appropriately carried out under a Community programme. The best way forward remains the step-by-step approach that we have advocated from the beginning. Only by close collaboration between projects, EUREKA officials and the Commission can the right decisions be made, consistent with EUREKA's bottom-up philosophy.

In view of what I have said, this debate is most timely. With regard to both the JRC and EUREKA, our basic aims are value for money and to help British industry become more competitive in world markets. I therefore commend the motion to the House.

10.41 pm

Dr. Jeremy Bray (Motherwell, South): The House is indebted to the Select Committee on European Legislation for juxtaposing these documents. I fully understand its members' complaints about not having had time to consider one of them, but I should have thought that a more justifiable general complaint was that the House was generally far too dilatory about considering the papers that the Select Committee recommends to it. The Committee has certainly made helpful observations about the documents.

We support the Government's intention to tighten up the management of the joint research centres. They need to be more clearly pointed at objectives and integrated with industry. They need to update their range of concerns to bring them into line with those which industry and society face.

However, I find no great contribution in the Government's approach to positive thinking about what the joint research centres should be doing. For instance, if the Government were thinking positively about the jobs that the centres need to do, their thinking could not be encompassed by the present framework of the joint research centres.

Let us consider one piece of work that should clearly be done nowadays on a European basis: the maintaining of absolute standards of mass, length, time and so on. Historically, that has been perhaps the principal mission of the National Physical Laboratory in this country. We devote an inadequate and incorrectly scaled effort to that area. It is not justifiable to do it on a national basis. It becomes expensive if one gets involved in hydrogen masers, and so on, which are of great interest for radio telescopes, radio astronomy work, and co-ordinating and synchronising signals across the diameter of the earth and out to the satellites. It is not exactly the sort of thing that is done on a tiny budget to measured time standards in the National Physical Laboratory.

If Europe as a whole is to do sensible work on the management of time standards, it must encompass the frontiers of research on the one hand and working down through the different levels of application to the grass roots implementation of standard services to industry on the other. The National Physical Laboratory used to do that. It is beyond the scope of the budget it can hope for today, but it would be reasonable to ask the joint research centres to do it, although I am not thinking necessarily of any existing joint research centres. It might be sensible to enlarge the framework of scientific and technical activity which is covered by the joint research centres.

If the Government were willing to put positive thinking into the work programme, they would find it much easier to deal with some of the intractable problems which I am sure they are faced with in ESPRIT and elsewhere in the JRCs. If the Government appear to be on the side of the people with whom they are working, and if they share their technical interest and the view that they have an essential contribution to make to industry and society, it is more likely that those people will be on the Government's side and will be willing to accept the major changes which are needed in their work and organisation.

I ask the Government, not just from a British point of view, to consider the traditions of the great national laboratories in Germany and France and ask what benefits we can gain from the Centre National de la Recherche Scientifique in France and the Max Planck institutes in Germany. The Government should ask how the work of the JRCs fits into the wider context of what Europe should be covering in science. I can well understand the Government and the Commission running a mile at the thought of subjecting a wider range of scientific activity to the present management and structure of the JRCs, but that is not the necessary end point of the freer thinking which the Government should initiate.

To put the different parts of the picture into a pattern, on EUREKA it is bottom up, industry-led and market-driven, but basically it is a familiar pattern of technological support to the many schemes which we have had in this country. Those who know how to operate them know how to put in applications; they know the procedure in departments and they get their proposals through. Approval is not automatic, nor is there an overall, coherent industrial programme of application lying behind it.

The Government may say that its very strength is that it is intended to be industry-led, market-driven, bottom up and all that, but it can result in an extraordinary jumble of variable-quality work without necessarily achieving the increase in technological competitiveness which we seek, say, in electronic components or in mechanical engineering so that Europe can fully match the best that is available in the United States in professional equipment or in Japan in consumer products.

The Select Committee on European Legislation and the European Commission point us to the need for examining the relationship between EUREKA and the collaborative programme of the European Community generally—ESPRIT, RACE, BRITE and so on. In this, there is a quite different approach in that there is, for example in RACE a clear perception not only of the sort of technology developments that will take place in telecommunications,

but of the developments that will take place in standards and applications. Clear developments are already under way in important software areas, and to their credit the Government support and recognise those in other ways.

BRITE takes traditional technologies and industries and begins to explore the immense potential for the upgrading of the technology used in many rather down-to-earth industries. ESPRIT is reaching a significant volume of activity and should offer the prospects of major initiatives. I hope that those initiatives will be followed up by industry.

The joint research centres are being looked at rather narrowly as a revamping of a particular research organisation which is perhaps rather dead on its feet. EUREKA is very much a first come, first served programme that is industry-led and market-driven, but it has no special industrial logic. Then there are the specific technology area of programmes such as ESPRIT, RACE, BRITE and so on. They have industrial logic and a clear technology strategy.

The reason for a certain sense of dissatisfaction about the overall pattern in Britain is that the Government do not offer any overall strategy for industrial and technological development. They rather positively turn their face against that. It is not simply that no clear picture is emerging in Britain for developments for broad band, space fusion and so on, but that the basic underlying logic is not clear. The Government follow the general principle of non-intervention and say that the free market must provide.

In the early days after 1979, the Government started to develop a clear understanding that there are some things that industry could not do well or could not do at all and on which the Government needed to take a positive initiative. I attribute a good deal of that initiative to the influence of Duncan Davies who, as chief scientist in the Department of Trade and Industry, had a good deal of influence upon Lord Keith Joseph. I understand that directly from Mr. Davies. That pattern has not been carried through to the enterprise initiative or whatever it is called—the one in which the arrow comes up one's backside—in the Department of Trade and Industry.

Mr. Rhodri Morgan (Cardiff, West): It is a harpoon.

Dr. Bray: I am grateful for that explanation.

We urgently need a statement about the Government's overall science and technology policy. That cannot wait until the next election. It must have urgent attention or we will lose desperately important time. The statement should embrace a Government reply to the strategy document of the Advisory Board for the Research Councils and the practical, down-to-earth concerns about the supply of scientists and engineers and the support developments needed in the education system and the school curriculum.

Once in place, that overall strategic plan for the application of science and technology would enable us to make a positive contribution to European science and technology. It would also enable us to take a positive approach to the joint research councils and build them up into the genuine European science framework that Europe justifies and requires. It would enable us to integrate EUREKA with the much more positively mission-orientated approach offered by the other programmes. It could begin to get into Europe as a whole the sort of technological initiatives that we badly need and that our European partners, in their own interests, would like to join us in furthering.

[Dr. Bray]

10.55 pm

Sir Geoffrey Pattie (Chertsey and Walton): I wish to say a few words about the joint research centres, particularly the centre at Ispra.

The commentary by my hon. Friend the Under-Secretary of State for Industry and Consumer Affairs on the documents represents a reasonable behind-the-scenes achievement by the Government in their negotiations, but it shows that there is still a great deal more work to be done. Bearing in mind the difficulties to be surmounted, particularly the obdurate nature of the relevant commissioner, I do not want to underestimate the magnitude of the Government's task. However, the performance of the establishment at Ispra in recent years has been nothing less than a scandal because it has conducted a series of irrelevant programmes. During the time that I was involved in the Department of Trade and Industry, I could never find anyone in any Government or in the appropriate circles in Brussels who could say what the organisation was supposed to be doing and to try to change its tack proved to be absolutely impossible.

The panel of industrialists referred to in the Government's commentary reported on the future role of the joint research centre and recommended

"a much larger customer orientation and a re-structuring of the largest JRC establishment at Ispra in Italy. In its proposals the Commission recognise the need for change and have taken account of some of the principles set out by the Panel. However, a large part of the customer orientation will consist of work for other Commission Directorates."

We see here the sadness and reservation in the words of the officials drafting the text—for example, that the Commission has taken account only of

"some of the principles set out by the Panel."

The document continues:

"Work for genuinely external parties is expected to increase from about 10 per cent. at present to only 14 per cent. by 1991."

As the Department fairly says:

"In negotiations so far we have been pressing for this target to be raised to 20 per cent."

I pay tribute to what the Government have been able to achieve so far, but the task is enormous. We should all like to see the various programmes improved, but, in view of waste of this order—hundreds of millions of units of account—it becomes scandalous. The hon. Member for Motherwell, South (Dr. Bray) mentioned his experience in dealing with the Italian trade unions. As he well knows, that is all part of the solidity and intractability of the situation. The people involved, whether Italian nationals or not, are completely locked into a series of programmes. It is verging on the obscene at a time when there is great pressure on the budget and we would like to see money released and used for other purposes.

I hope that the steps reported to the House tonight for a new structure for all the joint research centres will lead to an improvement and a dramatic change at Ispra. My hon. Friend the Minister, in his introductory remarks, mentioned the problems that even the board of governors has experienced. I know, from talking to the chief scientific adviser to the Government, that the governors have a great advisory role. They can submit a report and make suggestions, yet the joint research centre at Ispra carries on exactly as before.

All those things must change. I urge my right hon. and hon. Friends to maintain the pressure. A series of first steps have been reported to us tonight, largely taken as a result of the pressure that this country and others have brought to bear. In the time that I represented the United Kingdom at the Research Council, I did not find another Minister representing any of our partners—it was not a case of Britain being isolated in that respect—who know what Ispra was doing. Therefore, there was total unanimity about that.

I hope that my hon. Friend the Minister will maintain the pressure and regard what is being reported to the House tonight as the start. I welcome what my hon. Friend has told us tonight about EUREKA. The United Kingdom played a full part in getting that series of programmes into a relevant format. Department of Industry and Foreign Office officials worked extremely hard on that and continue to do so. I believe that the Commission has never particularly liked or welcomed EUREKA programmes. They are a little maverick and involve awkward people from outside the Community. Although the memorandum has some pleasant things to say about EUREKA, in the overlap sections there are other comments about the various programmes that are duplicated—as is their tendency.

I add those comments about EUREKA while welcoming what my hon. Friend said about the programme. I urge him to keep up the pressure.

11.1 pm

Mr. Malcolm Bruce (Gordon): There are obviously two aspects to the motion before the House. I hope that it is acceptable for me to qualify my comments by introducing a slightly jarring note about the clear general acceptance of criticism of the system, the need for reform and for the British Government to take a positive role in pushing for that reform. I do not dispute the need for that. However, the Government are not formulating a clear direction where they believe things should be going. I am sure that the Minister is aware that there is a lack of confidence in the Government's domestic approach to research and science in general. Against that background, there is legitimate suspicion about the Government's objective in terms of the pressure that they are bringing to bear in the Community.

That is borne out in the motion. As has been accepted, the joint research centre needs to be reformed, targeted and given specific direction. The explanatory memorandum states:

"The JRC's activities are relevant to the creation of the single market"—

something that will concern us all—

"to the improvement of the Community's industrial competitiveness, to the protection of the environment and to the enhancement of safety."

I wonder why the Government's motion refers only to helping

"British industry become more competitive in world markets"

and excludes the relevant references to other factors. Is that because the Government have decided that research projects have no business doing anything other than promoting competitiveness?

I am not disputing the desire for competitiveness. However, I believe that the other objectives are also important, relevant and worth supporting. I should like

the Minister to tell us whether he agrees with me, or whether the exclusion of those factors from the motion is significant.

Reference has been made to the need to push research according to market or near-market considerations. It has been obvious for a long time that the Government have a warmth for EUREKA rather than for the joint research centre for that reason. That is perhaps understandable and consistent. I have no objection to attempts aimed at ensuring commercial relevance and research taking account of its applicability and commercial accountability. However, does the Minister accept that too much pressure in those areas can prejudice useful follow-up research?

That aspect is of particular concern to the scientific community when it sees that pure research is being squeezed out of the system at the same time. My understanding is that researchers complain that they are prevented from following up opportunities which may lead in interesting directions because they do not have immediate commercial relevance. I am worried that the general thrust of the Government's contribution seems to militate against such work.

Will the Minister tell the House how he believes the EUREKA projects can usefully be assessed and evaluated? Reading the documents, one sees figures on the number of projects and how much money is involved, but it is not clear how useful those projects are. Reference has been made to duplication and overlap, but, leaving that aside, is there not a method for evaluating how valuable research has been and what kind of results have been produced?

In the Alvey programme, the Government have gone for fairly rigorous testing and have subsequently ordered cuts. It would be interesting to know whether the Government have any constructive proposals for evaluation.

Arising from that—perhaps this is putting the matter too simply, but the Minister will know about this more than I do—fears have been expressed about instances where two large companies, which operate from different locations in two European countries, get together and qualify for a research project that really does not provide anything new or dynamic. If so, the present system of evaluation is neither useful nor valid. The Government could make some valid input by making constructive proposals for dealing with such situations.

Will the Minister tell the House how smaller companies can cut themselves in? If the situation is as I have described, it is clear that larger companies with larger research organisations, and having a greater degree of sophistication, find out fairly rapidly how to milk the system, whereas small companies, which do not have the same guidance and opportunities, are shut out. I can only say in a very mundane way that, having experience of working for small or medium-size companies in my own area—in the days when they existed—which sought access to funding under European or British Government innovation projects, it is apparent that the sophisticated companies corner the market and that small companies are squeezed out. It would be nice to see the Government pressing for a role for small companies and helping to secure a greater share of relevant funding.

I have asked one or two quesions which I hope will be considered relevant. I believe that if this debate is to follow through constructively, the Government—I do not wish to stray beyond the bounds of order—must give us a clear idea of their own science and research policy, over and above trying to ensure near market or market commercial accountability.

Many people in this country are proud of the fact that Britain has a good research record, but they are worried that our application of that research is not always as good as it could be and that the pressure applied by the Government will not solve the problem. They believe that applying that pressure will result in the quality and volume of pure research being squeezed, without any noticeable increase in the successful application of research to the country's advantage.

I look forward to the Minister's replies with interest. I hope that the Government will steer future debates more clearly, showing that their lead is not a purely negative one about waste and duplication, but a slightly more positive one on accountability, how small businesses are becoming involved, what our clear objectives are and how we can ensure that the EC and the wider European interests get on track in a coherent direction. It would be nice to see the Government giving a lead rather than just carping about the cost of what is being produced.

11.10 pm

Mr. Tam Dalyell (Linlithgow): The Government inherited one almighty mess in relation to Ispra. The whole Ispra project started on the wrong foot, because it never had any clear scientific object or mission. It was a sop to the Italians for not getting the research facilities to which they thought they were entitled. It was a national partition of the European cake. That is almost the worst possible basis for starting any kind of scientific union.

In brackets, I might say something pretty awful. We can thank our lucky stars that, thanks to Commissioner Brunner and to a number of hon. Members of all parties, Conservative and Labour—I and colleagues played our part in this—we prevented the Joint European Torus project from going to Ispra. I say here and now that if fusion had gone to Ispra, the kind of advances that have been made at Culham simply would not have taken place. Commissioner Brunner was right to say that it should be either at a German site or in Britain, where there is a determined engineering capacity.

I listened to Italians such as Senator Noë and Mr. de la Briotta in the European Parliament going on and on about Ispra. It was deeply unsatisfactory, but, having said that, I am sanguine as to what can be done about it. I do not say that I have news for the Minister—I think that he understands the position full well—but there are such things as contracts. That is why I interrupted in relation to Italian law. The Italians have cast-iron contracts. The Milanese lawyers have done a wonderful job for them, and the Minister will find that they are contracts for life. Unless something can be done about all this, root and branch, I do not see what progress can be made and what turnover of people can possibly be achieved.

My information is rather secondhand. It used to be firsthand. Before the debate I made inquiries, and I understand that things have not changed greatly from the old days. What will be done about the whole basis of contract, because no progress will be make at Ispra unless something is done about it?

Incidentally, that may be part of the difference between Ispra on the one hand and Karlsruhe on the other, which,

[Mr. Tam Dalyell]

from the occasional visit, I thought was rather good, and perhaps Petten and Geel. Do the same gloomy predictions occur in the other three?

I ask, as the hon. Member for Gordon (Mr. Bruce) asked, what is their function and what does the Minister see as their object? They were doing what seemed to be quite good work on sunlight and heating, but it was pretty small scale and I am told that better work is done elsewhere. The right hon. Member for Chertsey and Walton (Sir G. Pattie) has recent ministerial experience, and he asked the same question.

What is now seen as a sensible objective? Is there any future in some joint European effort on radioactive decommissioning, radioactive waste management and, in particular, super-compaction of solid waste? The Government have not said that that is best done at Ispra. Incidentally, it may be done better at Dounreay. Nevertheless, with this type of objective, it is sensible to ask whether it should be done on a European scale. I should like more clearly to hear what ideas the Government have on the constructive things that Ispra, Petten, Geel and Karlsruhe can do.

Paragraph 14 of document 9454/87 states:

"The United Kingdom would like closer links between JRC programmes and other Community programmes in similar areas. The proposals for enhanced powers for the Board of Governors are welcome, though the details have yet to be clarified and it is necessary that other structural changes at the JRC should operate in the interests of clear management responsibility."

As has been said, the board of governors does not have a great say. I wonder what is really meant by "other Community programmes in similar areas".

Can flesh and blood be put on those words? What exactly are we getting at? My hon. Friend the Member for Cardiff, West (Mr. Morgan) wishes to speak, and I must allow time for the Minister to reply to the questions that have been asked of him.

11.16 pm

Mr. Rhodri Morgan (Cardiff, West): I shall raise two points in relation to EUREKA. The Minister described the EUREKA document as clearly showing that EUREKA is successful on two grounds. He said that we are getting our share of it, that it does not follow bureaucratic principles, that it has the solid, good, old-fashioned virtue of a step-by-step approach and no red tape, and that it is bottoms-up. They were all good, sound phrases, borrowed from a *Daily Express* editorial of 30 years ago. They do not demonstrate whether EUREKA will perform in terms of the objectives of an industrial and technological policy of reducing the gap that has emerged between Japan and, to a lesser extent, the United States of America and the disparate countries of Europe, because EUREKA covers several countries outside the European Community.

We want to know how EUREKA will achieve objectives, not merely that it will not fall into the trap of over-bureaucratisation that we can see in Ispra and, to a much lesser extent, in the administrative systems that the Commission must impose on directly funded research programmes such as ESPRIT, BRITE, RACE, and so on. We want an assurance that it will not fall into those traps and that it will achieve something. The right question is not whether we are getting a share of EUREKA but whether it will produce results. Surely the dangers are just the same as those with RACE, ESPRIT, BRITE and other directly funded Commission programmes. They do extremely little for regions, small firms and the encouragement of enterprise.

For too long we have suffered—EUREKA is likely to suffer in the same way—from being dominated by large firms. I refer to the national champions—the firms that are in with the powers-that-be. In this country, in electronics it is GEC and, occasionally, ICL and Plessey. In Germany it is Siemens, and in Holland it is Philips. Those firms already have the cash, and they are already well in with their Governments. They get much public sector funding, and they have no problems in getting private sector funding. They participate in EUREKA in the same way. Because of the way in which Davignon set up the ESPRIT programme, they were the first firms to get in with ESPRIT.

Ludicrously and paradoxically, firms with enormous cash mountains—such as GEC with well over £1 billion—are given cash. Apparently, such firms do not have enough cash to carry out research and development in collaboration with industrial partners. That is nonsense. The firms which have a desire to take risks—unlike, say, GEC—and which do not have cash should be given cash. Firms such as GEC with plenty of cash should be encouraged to take risks.

EUREKA operates on a national champion to national champion basis. It says, "GEC will please talk to Siemens. Philips will please talk to Thomson. Olivetti will please to talk to Philips and, preferably, Thomson." Cash-rich firms which wish primarily to protect their market share in Europe, rather than to catch up with the Japanese in world markets, will inevitably be the participants in EUREKA. They are the powers-that-be. They get in first. They get the invitations to the big conferences in the Queen Elizabeth II conference centre and in Hanover. They will dominate—not the small firms in the regions and the firms willing to take risks and make the breakthroughs.

What would happen if the Government had a science and technology policy which they tried to relate to EUREKA and the other European sources of public funds to encourage research and development? The Government may want to look beyond the silicon chip to the next generation of materials, such as gallium arsenide, which can do the job much faster. They may try to link the University Grants Committee funding for pre-competitive research and development, which is carried out with encouragement from ESPRIT, with the collaboration at industrial level on development rather than research, through EUREKA. They may also want to look at those firms undertaking significant work.

Over the past year, firms such as GEC and Plessey have been engaged in a massive quarrel over whether Britain will have a modern properly funded gallium arsenide foundry. The whole idea has been squashed, despite enormous efforts by the Department of Trade and Industry to get the two companies to work together. Smaller firms still at the venture capital stage, such as those involved in plasma technology in Bristol and electro-tech instrument development in south Wales, have made great efforts. In collaboration with University college, Cardiff and the university of Wales institute of science and technology in Cardiff, they are getting on with the job and doing the type of work on which the Minister would like

to be able to report to the House. EUREKA and other Community programmes are intended to assist in that work.

Small firms which are still in the venture capital stage and universities such as Cardiff, which do not get big favours from the UGC and are outside the main stream of collaborative research, are willing to take risks and to reduce the gap in micro-electronic technology between Britain and Japan. Those firms are most unlikely to get funds from EUREKA on a big scale and to do well out of ESPRIT. They do not have the clout with the powers-that-be.

How will the Minister correct the fundamental flaw which has occurred with ESPRIT, RACE and others and which is likely to occur with EUREKA? The small firms that are genuinely not averse to risk and the universities that are not in the golden triangle are cut out. How will the Minister ensure that the small firms and the universities in the regions get their proper share? This is needed if Britain is to catch up with Japan in science and technology. Jobs should flow from that catching up.

11.24 pm

Mr. Butcher: I thank all those who have spoken in the debate, during which considerable agreement has emerged. I shall do my best, in the time available, to deal with the various requests for information.

The hon. Member for Motherwell, South (Dr. Bray) wished to know the stage that negotiations had reached and where we see our position to be. I am sure that he would not expect me to say in fine detail exactly how we will pursue our objectives, but it is right to restate what we are doing in those negotiations.

The last JRC programme ran out at the end of 1987. An informal discussion on the Commission's proposal for a new programme was held last December at the Research Council, and there was a substantive discussion at the 11 April Research Council. The European Parliament has also examined the proposal, and it should be possible for the Council to reach a common position at its next meeting on 29 June.

The main outstanding issues relate to aspects of management and staffing policy. I shall come in detail to the points made by my right hon. Friend the Member for Chertsey and Walton (Sir G. Pattie) and the hon. Members for Cardiff, West (Mr. Morgan) and for Linlithgow (Mr. Dalyell). However, en passant, I say to the hon. Member for Linlithgow that we support his contention that the search for best practice now has to be on a pan-European basis.

If, for example, I am looking for examples of best practice in the higher education institution in engineering, I should look at Aachen. I know that some of the more enlightened engineers in this country see Aachen as a model that has critical mass, expertise, and delivers teaching in volume of the highest quality, but, in addition, it is a major research centre. If the hon. Gentleman decodes some of the remarks made by Ministers from the Dispatch Box in recent months, he may see the beginnings of a policy that we believe will learn from the Aachen experience.

Having said that, we also have to learn from the Ispra experience. The root of the matter has been identified in two speeches tonight as being Italian law operating in favour of local employees. I do not wish to turn this into a political debate, so I shall not go into too much detail about the role of trade unions in Italy. However, at the start of the JRC, the staff conditions of our Commission employees were determined by the Commission, and the trade unions have been resisting the introduction of flexibility. That has not been helpful to the JRC's scientific vitality. We believe that the trade unions, too, are increasingly aware of the need for change. It is primarily for the Commission to tackle this obstruction to scientific change.

The United Kingdom would like agreement on the following changes to JRC's staff conditions: a greater rate of annual turnover of staff, including the entry of younger scientists, with skills appropriate to JRC's future needs; more staffing to be on the basis of secondment to and from national institutions rather than on a permanent basis; a programme of compulsory retirements, which is necessary to achieve those ends; and a reduction of the cost of the JRC on the Community budget. The Commission has produced a working paper on staffing policy. It includes proposals for a reduced number of permanent staff, reservation of posts for visiting scientists and the transfer of some service staff out of JRC budgets, consistent with the practice elsewhere in the Commission.

The Commission assures us that the necessary flexibility in staffing policy is available under the present legal base of JRC. We are willing to examine the possibilities within the present framework, but we do not rule out the need for a more radical change if pressure is unsatisfactory.

In case Opposition Members think that we are in a draconian gung-ho mood and are seeking redundancies, I refer them to my opening speech, when I said that we need new blood. Further, without naming sites in the United Kingdom, at our own research establishments we are familiar with the problem of staff who have been in their positions for perhaps a quarter of a century. They are comfortable in their programmes, which have been rolling for a long time, and would bitterly resent the accusation that somehow they should examine how it is that they have been deploying their intellectual resources over this period of time on programmes which perhaps need some adjustment, and perhaps reassignment to other branches within their research establishment.

Ispra is that writ large, but with some peculiarly domestic Italian questions that need resolving. For reasons which I am sure my right hon. Friend the Member for Chertsey and Walton will understand, it is not advisable for me tonight to engage in a tirade against that. I simply state the criteria on which we shall judge the efficacy of the Commission in making its arrangements for its employees. I suspect that there will be consensus among Ministers at the next Council meeting on the sorts of things that we want to see achieved.

Mr. Dalyell: In the *New Scientist* of 29 October, under the byline of Debora Mackenzie, a table was published showing that 350 staff are between 51 and 55 years of age, that between the ages of 56 and 60 there are just under 200, and that between the ages of 46 and 50 there are 250—I suspect that the table is familiar to the Minister—with just 10 or so between the ages of 21 and 25. Is the age range really as cock-eyed as that?

Mr. Butcher: I do not have immediate access to figures to confirm or deny that point. However, those who have observed the Ispra phenomenon have remarked on the

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way in which the staff are deployed. I stated earlier that we in the United Kingdom are vividly aware that staffing is top-heavy and that it may be subject to hardening of the arteries in both a metaphorical sense and, perhaps, among many of the staff. However, we are on to that. My right hon. Friend the Member for Chertsey and Walton asked us to keep up the pressure, and of course we shall.

Perhaps this should not have been a debate in which we examined the Government's general domestic research policy, but Opposition Members have tempted me to make one or two comments on that. It is interesting to note that what is going on in Europe in the framework programme and in the EUREKA programme is mirrored by what is happening in the United Kingdom. We have said clearly that, as a Government, observing an industrial sector that is now making healthy profits, it will be for companies to make their own commercial judgments in their own way now that they can luxuriate in investment, and their own R and D decisions.

Given the changed trading conditions—if this is not a strategy, it is a matter for debate, and I believe that it is simply an observation on changed conditions—it is correct for public sector money, whether employed by the Department of Trade and Industry or by the Department of Education and Science, to move upstream and away from near-market exploitation. We have been discussing that very concept tonight. This is not a strategy in the way in which the right hon. Member for Chesterfield (Mr. Benn) would recognise a strategy. However, it is clearly stated in several of the objectives in our White Paper and it is articulated in the pattern of spending which the House can examine carefully, because it has been placed before the House.

We can look, for example, at LINK, to meet the higher education links with outside industry, at EUREKA, at our DTI-sponsored programmes on advanced technologies, on things such as SMART—the small firms merit award for research and technology—at our exceptional projects and at things within sectors such as launch aid. We already have a number of programmes moving forward on key enabling technologies. The IT programeme rolls at £85 million over the next five years, building on Alvey, which was well assessed. Although Alvey has had its critics, any objective evaluation of it will show that it produced the goods and the results. The question now is the one raised by the hon. Member for Cardiff, West: will industry have the sense to exploit those technologies and not simply leave behind another collection of fundamental ideas which others may exploit?

Higher education institutions are participating in EUREKA, as are small and medium-sized enterprises, to a significant extent, so the point that was made in that connection is not lost on us. I hope that there will be an occasion, should the House wish, when we can look more closely at the Government's current emphasis on research and development policy.

My right hon. Friend the Member for Chertsey and Walton suspected that the Commission never liked EUREKA and tended to overstate its overlaps with the Community's own research and development policy. I can only tell my right hon. Friend that he is absolutely right. I did not regard his speech as cynical. I thought that he made an observation on a real phenomenon.

As for the profiles of the programmes within the various sites, at Ispra we have reactor safety, industrial hazards, fusion research, non-nuclear energy, environmental protection and remote sensing. At Karlsruhe they are undertaking research in the nuclear fuel cycle. At Geel in Belgium they are producing nuclear measurements and reference materials. At Petten in the Netherlands they are dealing with reactor studies and high temperature materials. In Brussels there is an administration of 20. That is the central administration and is not to be confused with the administrative function in the REs.

The hon. Member for Linlithgow asked what we wished to see by way of new emphases within those facilities. In my opening remarks I said we felt it regrettable that, for example, the environmental programmes were running at about 14 per cent. Hence much work remains to be done there. We feel that their briefs could be expanded, but we must encourage them to seek custom, and in the first instance that custom will have to take advantage of the expertise that exists in-house. As with operations such as NEL and NPL, what they have in situ will bring along their first customers, but we hope that many of those will be industrial and private sector, although the Commission may put some work to them.

I have referred to small and medium-sized enterprises. It is not true to say that we are talking only about large firms in the programmes. Many small firms are involved in EUREKA, ESPRIT and BRITE. They are involved in at least 40 per cent. of the projects across those programmes.

I was asked about evaluation—about how we are to assess EUREKA—and whether it is simply to be reliant on numbers of projects or the amount spent. The hon. Member for Cardiff, West highlighted a point of crucial importance. In the past, Governments—I am talking generically—have measured success either by the amount spent or by whether those who benefited from projects stated themselves to be content.

If a research or other body has just received a large sum of money, it will be reasonably content. We have had difficulty—as a task of Government generally—in measuring the output of any Whitehall Department's spending. We find it easy to measure input, taking into account the number of staff deployed, the amount of cash and the degree of effort but as soon as one asks what has been achieved, one gets different replies. We are aware of this and my Department is perfecting the science of measuring output against expenditure on the commitment of man and woman years.

It is early days yet for EUREKA. The projects are industry-led and are funded primarily from the private sector. It is up to industry to assess the value, although, in the final analysis, the market will make the assessment, remembering that all the projects are allegedly near-market projects.

I was asked by the hon. Member for Linlithgow what we meant by closer links between the JRC and Community programmes in similar areas. The JRC has activities in materials, environment and energy, and we hope that these will be kept in step with other efforts within the framework programme.

Mr. Dalyell: The Minister has been courteous in answering my questions and I am not complaining, but what about the decommissioning of radioactive waste? Is there a future there?

Mr. Butcher: The short answer must be yes, because it would appear that in several member states this has become a political as well as an industrial question. My personal view is that the search for safer fuels is of equal importance. That does not mean that I shall impose my bias into these arrangements, but the decommissioning question remains, if the House will excuse the metaphor, a live one.

The hon. Member for Gordon (Mr. Bruce) pointed to the lack of confidence in the Government's science policies. My right hon. Friend the Secretary of State for Education and Science told the House of the increase of 15 per cent. in the science Vote since 1979. That is not enough for some scientists. There are wild accusations that we are no longer supporting basic and commercial research, and it is alleged that our sole criterion for supporting research is whether it will achieve a measured result in the market in the short term. That is a wholly unfair allegation. We have shifted the emphasis of science and technology policy in the right direction. If industry in its current state of profitability cannot bring forward appropriate development projects that are near to the market it will not be the Government's fault. We have delivered the framework within which it can do that.

Question put and agreed to.

Resolved,

That this House takes note of European Community Documents Nos. 9454/87 and 5616/88 on the Joint Research Centre and 10845/86 on EUREKA and Community Science and Technology; and supports the Government's aims of raising the quality and relevance of the work at the Joint Research Centre and of using EUREKA to help British industry become more competitive in world markets.

Matrimonial Proceedings (Transfers) Bill

[Lords]

Not amended (in the Standing Committee), considered. Bill read the Third time, and passed, without amendment.

Bristol Channel (Waste Disposal)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kenneth Carlisle.]*

11.42 pm

Mr. Tony Speller (Devon, North): It is with great pleasure that I see my right hon. Friend the Minister of State, Ministry of Agriculture, Fisheries and Food in his place for this debate, not least because it shows the gravity with which the Government view the whole position.

First, I should state what I am not seeking to do in this debate. I am not seeking some sort of anti-nuclear crusade, not least because I have a great respect for the CEGB, the quality of engineering and the ability of the nuclear inspectorate. Secondly, I am not seeking to attack Hinkley Point by some water-borne assault. It has existed for many years and has an excellent record. Thirdly, it is fair to say that my great interest in alternative energy is not intended to be anti-nuclear.

After all, provided that all goes right, nuclear energy is the cleanest non-pollutant energy source, outside the range of wind, wave and solar power. Nuclear energy causes no acid rain, does no damage to the ionosphere and does not push lead into the faces of small children on our streets from car exhausts. This debate comes about from the accident of a rural and tourism Member of Parliament deeply concerned simply about three beaches that do not meet EEC standards: no more and no less.

The Bristol channel runs from the River Severn to the Irish sea, with south Wales on its right, and Somerset, north Devon and north Cornwall on the left. Since obtaining this debate I have been overwhelmed by the instant response of others who, like me, are worried about the quality of the Bristol channel—or, rather, the water within it. Too many authorities control pollution and dumping. Although my right hon. Friend the Prime Minister says that the Department of the Environment co-ordinates all these works, I have not found that to be the case.

When I saw detailed answers about the type of pollution that was occurring, I asked the Prime Minister about co-ordination, as well as the Ministry of Agriculture, Fisheries and Food, the Welsh Office, for the Welsh side of the channel, and the Department of the Environment regarding sewage and other deposits, and of course the Department of Transport, in relation to the water-borne sewage coming from coastal vessels moving up and down our side of the channel.

Some of the answers conflict strongly, but I must thank all the Ministries concerned, especially the Ministry of Agriculture, for speedy and accurate answers. The only Department that has not answered my questions, despite the role allegedly placed upon it by my right hon. Friend the Prime Minister, is the Department of the Environment, which has had the co-ordinating job—in other words the co-ordinators unfortunately have lost their co-ordinants. Individual Departments can tell me what is happening, but not the co-ordinator. I am not filled with confidence in the Department.

The Bristol channel is seaside for those who live in north Devon; it is ever-present, as one crosses Exmoor, and as one comes into my constituency. There is the water, which we call the sea. I have known it well since I was a child. It is the place where one builds sandcastles, plays in

[Mr. Tony Speller]

the water, and later swims, surfs and goes water-skiing. There is fishing and trawling of course; all are pleasures of clean water, or so we thought.

I sought simply to find out why the water is no longer what it has been and why we were not putting it to rights; I suspected that raw sewage outlets along the coastline were the cause. The results were as fascinating as they were unfortunate. I was astounded to find, from some very honest answers from MAFF, that we have a number of industrial sites, or sewage deposit sites. I had known, frankly, that the great and super city of Bristol, and the city of Cardiff, through their water authorities, dump their sewage sludge a mere 11 miles off the coast of Ilfracombe.

I knew through a councillor friend of mine, Councillor David Spears of Ilfracombe, who is a fisherman, that there was an application from Port Talbot to dump 7 million tonnes of what is nicely called "capital spoil", again 11 miles north east of Ilfracombe. On top of this, MAFF told me that there were two minor liquid low-level radioactive outlets, one from Hinkley Point and another from Amersham International off the River Taff. I do not believe for a second that any one of those sources causes total pollution.

Then the information grew worse. In seeking to find out just what goes into the Bristol channel, I asked that marvellously honest body, the Welsh Office. It answered simply that there are all the things that I knew about already, and by the way, there are 27 other outlets whereby low-level nuclear waste is indirectly dumped in the Bristol channel.

So I had information from the Ministry of Agriculture, and learned more about the two nuclear sources—Hinkley on the Devon side and Amersham on the Welsh side—and the 27 other outlets, as well as sewage dumping, from the Welsh and English sides. There are no heroes or villains in this, just people going about their work, quietly polluting the waterways on the doorstep of north Devon. There are the industries of Port Talbot, and so it goes on, and on.

Then I asked my friends in the coastguard service and the Royal Air Force about maritime pollution. The Ministry of Transport said with superb openness that it is quite legal to pump out the tanks of a ship in the channel, and that one may discharge gash, or rubbish, there. Rubbish from ships and cleanings from tanks—all goes into this narrow waterway that we in north Devon call the seaside. This grew from a simple problem of finding out how the water authorities work.

I owe every credit to the water authorities. The South-West water authority is spending much money and doing very well in cleaning up sewage. I am sure that the Welsh authority and Wessex Water are doing the same. It is not the individuals who are polluting our waterways; a major hole is being caused, not by any of the pinpricks, but by the totality of water authorities, the industrial, agricultural, and agrichemical concerns and all the rest of them.

We come to a very simple question: why do I find dead sea birds and plastic rubbish when I wander along the shores of my constituency? I find not the romantic things of the days of Sir Walter Raleigh, which could be looked at with excitement, but useless plastic rubbish. All of it is man-made and man-deposited because no one is obliged not to do it. That is the essence of my problem.

We are not much better on land. Dog owners—I am one—allow their dogs to foul the beach for children to sit in. Councils are getting better and beginning to enforce byelaws, but there is still pollution on the beaches. Our small local authorities still allow outfalls to be tucked away under the sands and to spill raw sewage into the sea for the pleasure of surface and submariners and all who enjoy fishing.

The beautiful island of Lundy, just off my constituency, is the site of a maritime nature reserve and I am proud to have been instrumental in making it so. It is surrounded not by lobsters, however, but by the debris of civilisation. No one is forbidden to put it there, which means that everyone is allowed to. I was surprised to find that ships are allowed to pollute the area, but not with oil. So they pollute with oil after dark. Oil slicks appear on the beaches in my area, and, I am sure, across the water in Wales. Irridescent pools of oily water appear from ships dumping in the channel.

So we have an incredible collection of debris all along our coastline. I do not seek to apportion blame to any authority or Ministry. This is not a case of villains; it is a case of everyone exercising rights given by statute or regulation, but the total result is that what should be a pleasant open stretch of beautiful water is polluted. As one approaches my part of the world, one comes across the top of Exmoor and sees the Bristol channel in the foreground and Wales in the background. It is a beautiful sight and equally beautiful from the other side. However, it is no longer a pleasure to walk or bathe there. I am a walker, bather and sailor in that area. The hulls of people's boats get coated with human excrement. Human debris, too, figures in the pollution of the coastal waters.

No one in particular is at fault; all of us are at fault. The Welsh Office told me all about its problems. I asked about the capital spoil from Port Talbot, but no one appeared to know about it. Officials said it was dredging from the harbour. That is fine; but Port Talbot has been a fine industrial area and I am not sure that the dredgings are as pure as one might expect sand to be. No one minds; one applies for a grant.

I hope that my right hon. Friend will not tell me that he has granted permission to dump 7 million tonnes in this narrow, shallow channel—a super-tanker carries 100,000 tonnes, by comparison. The material may not be dirty—I do not suggest that it is—but it seems odd. Why can they dump 11 miles off Ilfracombe? It is not a personal affront to me. That is the nearest point at which people can say that the dumped waste will go out to sea. But the Bristol channel does not work that way. Waste does not just all go out and come in—it swirls around. There are bays on the Welsh side, and on the Devon and Somerset side. What is put in the water does not exit on the tide. I wish it did. Some does, but some goes around and around. We are damaging the lives and pleasure of our people.

I am grateful for being granted this debate. I do not seek villains. I am only saying—perhaps tediously—that three of the beaches in my area do not meet EEC standards. We should be grateful to the EEC; we condemn it often, but it has given us standards that I want my beaches to meet. All the things I have mentioned, taken together, are causing the trouble and pollution. My right hon. Friend has told me in parliamentary answers that he would be happy to bathe in our waters. God bless him, and I hope he enjoys it. It is a beautiful place and I am sure he

will come to no harm. But, with all these different authorities allowing dumpings, it seems strange to assume that ultimately no harm will be done.

I suspect that I speak not just for my own area but for the whole country. For centuries we have used the sea as our cesspit on the assumption that the sea would clear it out. In our case it is no longer working. My right hon. Friend may say, as he has told me in answer to questions, that there is no apparent problem for fishing stocks. I must tell him there are problems. The fishing stocks have gone. The fishing stocks which were there in my youth are not there any more. My fishermen, not primed by me, say that they get boils from the water of the channel. The sub-aqua clubs tell me that there are problems when they are swimming; the surf clubs say the same thing. Everyone tells me that we are allowing our environment to be more and more polluted.

I have asked the questions of all the individual Departments. All I could find out was that no one was exceeding his authority or doing anything he should not do, but all of us in total are doing what we should not do —damaging the environment of our beautiful country. All of us are proud of our own areas. Whether from Devon, as I am, or from Wales or Scotland, we all love our country, but, through nobody's apparent fault, the environment is being destroyed. Yet industrial refuse, nuclear waste and sewage sludge must go somewhere. In the south-west they go from other people's doorsteps into my constituency. That is not fair. It is causing aggravation —which brings us to this debate.

I ask my right hon. Friend for simple assurances. I am told that the Department of the Environment co-ordinates. That amazes me because that is the one Department which has not the ability or the will to answer a priority written question. Every other Department does— Agriculture, the Welsh Office and Transport, but not Environment. How can I have faith in a Department which is said to co-ordinate, when it cannot answer simple questions such as how many sewage outlets or permits there are? I do not believe that the Department knows.

My right hon. Friend is not responsible for that Department. His Department is responsible for the cleanliness of water and the agriculture side of things. I pay the Department credit for the work it does, but it seems wrong that all this waste is deposited in the Bristol channel. I will list it all for the last time—sewage sludge from the big cities of Wales and the west country, capital spoil, tippings and dredgings from the great industrial ports, nuclear waste from Hinkley Point, nuclear waste from Amersham International up the River Taff—it must be fun being a swan on the river—and 27 other indirect nuclear waste deposits on the Welsh side alone.

I have had no answer, alas, for the English side of the water. The Department of the Environment is to write to me as soon as possible. That will be as soon as possible after the debate is over and is in *Hansard*, one suspects. When the battle is over, the gentlemen of England, now abed, may think themselves accursed they were not here, but they are wise not to say their piece because they would damn themselves out of their parliamentary questions and answers.

On the agricultural side I say very little, but we know that agrichemicals leach into our waters. Some of it is the fault of the agricultural system and some is the fault of the water authorities being underfunded in the past. But all in all, from the shipping on the top of the water to the sewage at the bottom, we are doing great damage to the nation. We must get together and say that what we did in the 19th century out of ignorance we may not continue at the end of the 20th century out of knowledge, nor in the 21st century when, I trust, the environment will be at the top of our agenda.

11.58 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. John Selwyn Gummer): First, I thank my hon. Friend the Member for Devon, North (Mr. Speller) for raising the subject which, as he rightly says, is not only of interest to him and to his constituency but to any of us who represent coastal areas. My constituency has 54 miles of coast, the nuclear power station at Sizewell A, a new one to come at Sizewell B and the proposal to build another at Sizewell C, so I hope he will accept that, apart from my ministerial responsibility, I have a personal, local responsibility which makes me sympathetic to the issues that he has raised.

I should like to begin where my hon. Friend ended by saying that in the 20th century we must not do out of knowledge what in the 19th century we did out of ignorance. I am happy to say that we have learnt and that what we now allow to be dumped in the sea is different from what would have been dumped in the 19th century.

I recognise my hon. Friend's desire to tread the narrow path between worrying people unnecessarily and making sure that the programme and policy of the Government are sufficiently structured to protect people. That is a difficult path for an hon. Member to tread because he must not make people feel that something is wrong with the beaches while at the same time he must protect the beaches. I see the balance that my hon. Friend has to maintain, and he maintained it admirably in his speech.

My hon. Friend spoke about co-ordination. He should draw some confidence from the fact that it is largely the scientists in the Ministry of Agriculture, Fisheries and Food who provide the basis for the work that is done. The scientific staff in my Ministry assess the potential effect of pipeline discharges, for example, on the marine environment. My hon. Friend mentioned dumping in the sea from Wales. The Welsh Office is deeply involved in trying to solve such problems and my Ministry is its agent in this work, thus ensuring that the effects of dumping from Wales are taken into the equation.

My hon. Friend made an important point when he spoke about the equation. We must ask ourselves whether, when we add together all the things that happen, we get an unacceptable result, even though the individual things being done are acceptable. When the adding together takes place, it is the scientists in the Ministry of Agriculture, Fisheries and Food who play the vital role.

In the Bristol channel area, there is a specific way of doing this because, as my hon. Friend rightly says, this area is of considerable concern as it is bordered by the great industrial areas of Wales. It is an important tourist interest and an historic waterway. For those reasons we have a special group of interested authorities which co-ordinate the assessment work in this area—the Severn estuary technical working group—and it includes representatives of MAFF, the water authorities, the Water Research Centre and Plymouth marine laboratory. These bodies each present the results of their monitoring work to the group which thus ensures that a detailed picture of the quality of the estuary and Bristol channel is available.

[Mr. John Selwyn Gummer]

My hon. Friend need not worry about the co-ordination aspect. It is co-ordinated overall at ministerial level by the Department of the Environment. In the specific area that he spoke about, we have gone to particular trouble to cover this in the special working group. That group is of a technical kind and it covers precisely the problems that my hon. Friend rightly adumbrated. As he said, the problems that we have here are affected not only by the quality and type of waste that is put into the sea, but by the movement, the ebb and flow, of the sea. In this area the ebb and flow is much more complex than in other areas. That must be considered as well, and my hon. Friend was right to draw that to our attention.

The reason for choosing a dumping site 11 miles off Ilfracombe, to which my hon. Friend refers, was not intended as a personal insult to my hon. Friend; nor was it chosen because it was the nearest place at which we could get away with such dumping, which perhaps my hon. Friend implied. The site was carefully chosen because we know the way in which the sea operates in that area. Its mechanism does what we intend it to do: it satisfactorily cleanses the area.

I want to face head on the problem that my hon. Friend has placed before us. In this world we ask for all the benefits and advantages of a modern society, such as being able to turn on energy at the flick of a switch, of being able to drive to the lovely holiday beaches in his constituency and of being able to be warm in winter and cool in summer. We cannot expect to have all those things and the jobs in the industries that sustain them unless we accept that they produce waste that has to be dealt with somehow.

I think that my hon. Friend would be the first to recognise that we must make sure that the waste that we produce does not pollute the environment. However, he is wrong to suggest that the sea has no part to play in the removal of waste. We must ensure that we do not put in the sea waste that cannot be purified or disposed of. If we treated the sea as our communal cesspool, we would do great damage to the environment and to future generations. We take considerable care about those decisions.

Let me give my hon. Friend two examples of the care that we take. First, when I receive a new application, I consider it carefully, but, even in circumstances in which I believe that it is right to grant it, I seek to find an alternative way of reducing other inputs to the sea. I try to strike a balance to ensure that the total is, if anything, less than it was before. I always try to use it as the pressure point for reducing the use of the sea for the removal of waste, and I have found that approach very satisfactory.

Secondly, I draw my hon. Friend's attention to the decision of the North sea conference, which was a great success and in which Britain took a major part. My hon. Friend referred to throwing things off a ship and getting rid of oil in the sea. We must draw a distinction here. People do things illegally and we then have to deal with the question of enforcement. They do other things legally, but we nevertheless have to deal with the problem of stopping them doing those things. I hope that our enforcement policy will increasingly enable us to ensure that ships do not do what they have done in the past—flush out their oil tanks illegally, late at night, when no one is around. The evidence shows that that is a decreasing activity and that our policing has helped in that direction.

However, we must improve as well as enforce the rules. I took a small part in ensuring that the British Government joined others in agreeing to much tougher rules about the use of the sea as a garbage pail for ships, whose crews appeared to think that they had a right to throw into it anything that they liked because it was waste produced on the ship. That is unacceptable and we have done a great deal to change that. The countries of northern Europe will now stop that and regulations are being prepared, as my hon. Friend knows from the reply that he received from the Department of Transport. That is a major improvement which will depend on the efficacy of the regulations and on the way in which we impose them.

Mr. Speller: The answer that I have received from the Department of Transport simply says that it is not in itself an offence for ships to clean their tanks in the Bristol channel or, at present, to discharge ship's garbage into the sea, although regulations are being prepared. Can my hon. Friend tell me when those regulations will be in force and who will enforce them?

Mr. Gummer: My hon. Friend must understand that those regulations will be in force as rapidly as possible because we gave an undertaking at the London conference. I cannot tell him exactly when they will be laid, but it will be as soon as possible. The responsibility for enforcement of the regulations will be spread between Departments, although the Department of Transport will have the primary responsibility. However, as other Departments have opportunities to watch out for these things, we all try to work together.

I am sure that my hon. Friend will accept that, although it is not as unitary a system as he would wish, our fisheries patrol vessels, coastguards and local sea fisheries committees play their part in notifying the tell-tale signs that those incidents have occurred. I hope that my hon. Friend will accept that we catch people not simply in flagrante delicto, but also after the incident, when we can see what has happened. There are various ways of going about that, and I assure him that we are most concerned that the system works effectively. I have not yet considered or given a ruling on the question of the dumping of material from Port Talbot. We are discussing that issue, and I give an undertaking that I will look at the matter extremely carefully.

The two licences currently issued for sewage sludge—one each to the Wessex and Welsh water authorities—apply to material that is already carefully refined. That is why it is put in the sea, and 96 per cent. of it is water. That would not have happened in the 19th century. I hope that my hon. Friend will remind his constituents of the enormous advances that have been made since then. In the 19th century, raw sewage was dumped into the sea, but we purify it seriously now. My hon. Friend should be happy that we monitor very carefully what enters the water. He should also be pleased that 70 per cent. of the sludge from Wessex is spread on land and does not enter the water. We are constantly trying to find alternatives where they are available.

I want to refer briefly to the apparent inconsistency to which my hon. Friend referred. I am sure that he will not mind if I say that if he asks a slightly different question of

two people he may get a slightly different answer. When he asked the Ministry of Agriculture, Fisheries and Food what we gave licences for, we told him; and I hope he will be kind enough to acknowledge that we were very honest in our reply. We gave him full details. However, if he asked the Welsh Office what it granted licences for, he must accept that the Welsh Office would include licences for extremely small amounts of waste such as radioactive material from hospitals. Such licences are not granted by my Ministry. Therefore, the figures tie up as long as my hon. Friend remembers what the question is in the first place. Nothing was hidden in either case, and full details were given to my hon. Friend. I hope that he will acquit us of not co-ordinating this properly.

We have very tough controls on what is put into the sea. More important than that, it is our intention and the fact——

The Motion having been made after Ten o'clock on Tuesday evening and the debate having continued for half an hour, MR. SPEAKER *adjourned the House, without Question put, pursuant to the Standing Order.*

Adjourned at eleven minutes past Twelve o'clock.

House of Commons

Wednesday 18 May 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

DEATH OF A MEMBER

Mr. Speaker: I regret to have to inform the House of the death of Sir Brandon Meredith Rhys Williams, Baronet, Member for Kensington, and I desire, on behalf of the House, to express our sense of the loss we have sustained and our sympathy with the relatives of the hon. Member.

MESSAGES FROM THE QUEEN

SUMMER TIME

THE VICE-CHAMBERLAIN OF THE HOUSEHOLD reported Her Majesty's Answer to the Address, as follows:

I have received your Address praying that the Summer Time Order 1988 be made in the form of the draft laid before your House.

I will comply with your request.

TAXATION

THE VICE-CHAMBERLAIN OF THE HOUSEHOLD reported Her Majesty's Answer to the Address, as follows:

I have received your address praying that the Double Taxation Relief (Taxes on Income) (Venezuela) Order 1988, and the Double Taxation Relief (Taxes on Income) (Turkey) Order 1988 be made in the form of drafts laid before your House.

I will comply with your request.

Oral Answers to Questions

ENVIRONMENT

Vacant Council Houses

1. **Mr. Fallon:** To ask the Secretary of State for the Environment how many council houses are vacant but available for letting in the northern region according to the latest figures.

The Parliamentary Under-Secretary of State for the Environment (Mrs. Marion Roe): Housing investment programme returns indicated that 2,702 local authority dwellings in the northern region were empty and available for letting at 1 April 1987, the latest date for which figures are available.

Mr. Fallon: Is not the real scandal not that more than 2,000 homes are empty but that no one seems to be doing anything about it? I have asked this question every year for the past five years. Will my hon. Friend consider legislating either to allow young homeless couples to homestead in these empty council properties or to improve letting procedures by providing for compulsory auction of any council homes that are not relet within, say, three months?

Mrs. Roe: Following discussions in Committee on the Housing Bill we are considering measures to reduce the number of local authority empties. My hon. Friend the Minister for Housing and Planning is to make a statement on the subject at the Report stage of the Housing Bill. I am not convinced, however, that compulsory disposal along the lines suggested is necessarily the most effective means of making housing available to those in greatest need.

I support the principle of encouraging homesteading. My Department encouraged it in circular 12/85. Homesteading depends on low sale prices and purchasers getting improvement grants. The ball is clearly in the local authorities' court. For our part, we are considering changes to the improvement grant regime, to be contained in new legislation.

Mr. Cousins: Will the Minister bear in mind her own splendid example? When 15 houses run by the Property Services Agency in my constituency had been derelict for more than a year the Government gave Newcastle city council £300,000 to bring those derelict houses back into use. Is that an example for the Minister in this case?

Mrs. Roe: One must remember Government empties that are held for operational reasons. My Department does not collect data on reletting times. However, the Audit Commission estimates that if the national average relet period could be reduced by two and a half weeks by better management and by streamlining the reletting procedures, an extra 20,000 dwellings could be occupied. The commission recommends a maximum three-week reletting period. The London borough of Greenwich manages that, but the average time for the borough of Southwark is 24 weeks. That puts 1,800 dwellings out of commission—enough for all its homeless households for a year.

Mr. Soley: Are there operational reasons that lead to the Government's having 6·9 per cent. of their properties

empty? In average terms, that is three times as many as the number held by a local authority. Why does the Minister have to rely on people such as myself and other Opposition Members going to Government Departments, in the way that I went recently to the Home Office, to get the Government to put back into use houses and flats that have been empty for as long as nine years? When will she do something about Government Departments that have hundreds of thousands of empty houses and flats all over Britain?

Mrs. Roe: Government empties are regularly reviewed and Departments are strongly urged to sell surplus stock. Reduction targets agreed by the Treasury are also set. Where disposal is not practicable, Departments are encouraged to let empties temporarily to local authorities or to housing associations for use by homeless people. The Ministry of Defence has arranged 275 such lettings.

Single People (Housing)

3. **Mrs. Dunwoody:** To ask the Secretary of State for the Environment whether he has any new proposals to deal with housing need among single people.

The Secretary of State for the Environment (Mr. Nicholas Ridley): The Government's housing policies—and in particular the proposals in our Housing Bill—will assist all categories of housing need.

Mrs. Dunwoody: The Secretary of State's answer will come as a considerable surprise to most people. Would he like to live in cardboard box under Waterloo bridge? If not, what will he do to rehouse people who are living like that?

Mr. Ridley: I imagine that the hon. Lady will strongly support the Housing Bill, which introduces assured tenancies, amended rules on shorthold, and fair rent tenancies to encourage more private landlords to come forward. It also encourages building societies by giving them extra powers to provide accommodation for rent, and encourages the housing association movement to build large numbers of social houses to rent, with Government subsidies to keep those rents low. In the light of that tremendous effort to help the housing shortage, I am surprised that the hon. Lady asked such a stupid question.

Mr. Heddle: I acknowledge the enormous initiatives in the Housing Bill, but does my right hon. Friend agree that many of the single homeless could be adequately housed in pubic sector properties that are currently too large for their tenants? Does he also agree that perhaps many local authorities are not using the tenants' charter provisions of a previous Act to best effect for the single homeless?

Mr. Ridley: Yes, Sir. There are well over 100,000 empty council houses and well over 500,000 empty private dwellings. The Government's policy is to bring the maximum number into use to ease the housing shortage.

Pollution

4. **Mr. Ieuan Wyn Jones:** To ask the Secretary of State for the Environment if he will outline those measures taken by Her Majesty's Government to reduce the incidence of pollution in United Kingdom offshore waters.

The Parliamentary Under-Secretary of State for the Environment (Mr. Colin Moynihan): A wide range of measures exist to control pollution in United Kingdom waters and recent quality status reports for the Irish and North seas show that they are generally in good condition. Substantial programmes are well under way to achieve improvements in water quality. In addition, a range of further initiatives were included in the ministerial declaration following the North sea international conference chaired by the United Kingdom last November.

Mr. Jones: I am grateful to the Minister for that reply. I am sure that he is aware of public anxiety about pollution levels, particularly in the Irish sea, and of the effect of such pollution not only on the environment but on important industries such as fishing, tourism and agriculture. Is it not time for a major Government initiative aimed at drastically reducing what many people regard as unacceptably high pollution levels? Such an initiative would go a considerable way to allay that genuine public worry.

Mr. Moynihan: It was for those very reasons that the Government supported the conference declaration to reduce the input of dangerous substances into rivers, because that is a major source of pollution in coastal waters. That declaration aimed to reduce such pollution by 50 per cent. by 1995 by stopping the dumping of harmful industrial wastes into the North sea by the end of 1989. It is also intended to ensure that there will be no increase from 1987 levels of inputs of contaminants and sewage sludge.

Mr. Gale: Will my hon. Friend study carefully the report on the protection of the North sea against pollution, which was carried unanimously by the Council of Europe on 6 May? Will he consider the effect that the dumping of waste has on the north Kent coastal resorts such as Margate and Herne Bay in my constituency? Will he consider carefully the implementation of recommendation c.i. in the report? It recommends:

"ensuring that ships' waste is stored and treated in port, and that any discharge of such waste at sea is severely punished".

Mr. Moynihan: Full consideration is being given to the report and, as my hon. Friend will know, it is precisely because of the sort of worry that he has expressed that we are committed to substantial expenditure through the water authorities of up to £70 million per annum, to seek improvements in the quality of coastal waters and a reduction in bacteriological levels. As to my hon. Friend's point about shipping, he will know that we are committed to working through the International Maritime Organisation to improve controls on pollution from ships.

Mr. Allan Roberts: The Minister referred to the ministerial declaration from the second international conference on the protection of the North sea, but how will the Government implement the recommendations to which they put their name? What dangerous substances going into our rivers will be reduced by 50 per cent.? The Government have not given us any idea of what those substances are. How will they reduce the contamination of sewage sludge by persistent toxic and accumulable materials when the amount of sewage sludge that needs to be dumped in the North sea is increasing? When will the

Government respond to the assurance given by the Secretary of State for the Environment in the House? He said:

"I am certainly considering whether to create nitrate protection zones and I expect soon to come to a decision." —[*Official Report*, 2 December 1987; Vol. 123, c. 916].

When are we to have the decision, or is the row with the Ministry of Agriculture, Fisheries and Food continuing indefinitely?

Mr. Moynihan: The hon. Gentleman will know that we shall be publishing the red list of substances in connection with river quality objectives and the pollutants that are of specific concern to the Government once we have finalised the list. As to the range of other issues, I would encourage the hon. Gentleman to read in detail the 46 proposals on exactly how the Government intend to put into practice the recommendations agreed at the second international conference on the protection of the North sea.

Regional Assistance

5. **Mrs. Maureen Hicks:** To ask the Secretary of State for the Environment which areas have received Government assistance under the urban regeneration grant and urban development schemes in the last six months.

The Parliamentary Under-Secretary of State for the Environment (Mr. David Trippier): Thirty two urban development and urban regeneration grants totalling £36·4 million have been approved since November 1987, including one urban development grant of £529,000 in my hon. Friend's constituency. I have made arrangements for a list of the areas receiving assistance to be placed in the Library.

Mrs. Hicks: I am grateful to my hon. Friend for the substantial urban development grant that he has recently given to Wolverhampton. Is he convinced that the new city grant that has replaced it will be even more attractive to developers?

Mr. Trippier: I am convinced that the new city grant will be more attractive. We have cut out a considerable amount of bureaucracy that was attached to the former grant regime. We have streamlined the process, giving the private sector direct access to the Department of the Environment. I have given an undertaking that a decision on the applications will be made within a shorter time scale than hitherto.

Mr. Steen: Is not the most important problem to which urban regeneration grant should be directed getting rid of the 100,000 acres of public derelict, vacant but under utilised land on the register? Although my hon. Friend has made some steps towards getting rid of the land, more land is coming in because of the planning process. At the present rate it will be at least 1,000 years before we get rid of all the land on the register.

Mr. Trippier: I agree with the thrust of my hon. Friend's question. I draw his attention to the fact that almost half the public land registered last year was directed by the Department of the Environment to be sold. The problem is not confined to local authorities, but occurs in Government Departments as well, and as a result of the initiative in the "Action for Cities" presentation by my right hon. Friend the Prime Minister we are taking further steps in that direction.

Cluttons (Contracts)

6. **Mr. Campbell-Savours:** To ask the Secretary of State for the Environment what contracts have been awarded to Cluttons by his Department over the past seven years.

The Parliamentary Under-Secretary of State for the Environment (Mr. Christopher Chope): Ten contracts have been awarded to Cluttons in the past seven years. Five were for the sale of surplus property, four for valuations and one for dealing with noise compensation claims.

Mr. Campbell-Savours: Is it not true that Cluttons was paid £40,000 for valuing Richmond Terrace and that the same work could have been done in-house for £2,000? Is the Minister aware that that information comes from civil servants within the PSA? So that we may get at the truth, will the Minister publish the comparative costing documentation within the PSA and place it in the Library? This is a time bomb ticking away under his appointment as a junior Minister in the Department of the Environment, and we will get at the truth in the end.

Mr. Chope: There was never any question of the valuation being carried out in-house. The decision was taken to employ experts. [HON. MEMBERS: "Why?"] Because they are experts in valuation. *[Interruption.]*

Mr. Speaker: Order.

Mr. Chope: It was the first time that there had been a new freehold in Whitehall for valuation. We considered it best to get the most expert advice and for that advice to be based on the best evidence available. It is important in valuations to have evidence of comparables. The firm that we chose to carry out the valuation employs experts in that work.

Mr. Harry Barnes: Is this not a case where privatisation has clearly failed and has led to an increased bill for the taxpayers, only because of the Government's obsession with privatisation? The fee amounts to 70 or 80 people's poll tax payments for a year.

Mr. Chope: I do not know that the Government are obsessed with privatisation. We are convinced that privatisation is a sensible policy and it is being pursued vigorously by the Government where it is most appropriate.

British Olympic Association

7. **Mr. Menzies Campbell:** To ask the Secretary of State for the Environment when he last met the chairman of the British Olympic Association; and what subjects were discussed.

Mr. Moynihan: I had a private dinner with the chairman of the British Olympic Association on 19 April. I last met him formally on 13 January. We discussed my open letter of 19 November 1987 to John Smith, chairman of the Sports Council, about the future direction of our sports policies.

Mr. Campbell: When the Minister next meets the chairman of the British Olympic Association, will he

impress on him the importance of the British Olympic Association assisting the elimination of the taking of drugs—particularly anabolic steroids—by sportsmen in the United Kingdom? Does the Minister share my worry about the possible effects—*[Interruption.]*

Mr. Speaker: Order. I am sorry to interrupt the hon. Member. Private friendly conversations across the Chamber do not help at Question Time.

Mr. Skinner: It is the Ladbroke's man.

Mr. Speaker: Order. It would be helpful if the hon. Member for Bolsover (Mr. Skinner) and the hon. Member for Langbaurgh (Mr. Holt) kept quiet.

Mr. Campbell: I shall not start again from the beginning. Does the Minister share my anxiety about the extent to which the use of such drugs appears to be prevalent? May the House take it that he is as keen as the 179 hon. Members who signed an early-day motion recently to see that the taking of such drugs is eliminated?

Mr. Moynihan: I share the hon. Member's anxiety about the use of anabolic steroids to enhance performance in sport. For that reason, the subject of anabolic steroids has been referred to the advisory council to consider whether the Misuse of Drugs Act 1971 controls are appropriate. The BOA wholly supports the recommendations of the inquiry that I undertook with Sebastian Coe, and the Sports Council has now implemented them. The BOA is committed to testing being undertaken by independent sampling officers, to the random selection of competitors and, most important, to testing outside Olympic competition—*[Interruption.]*

Mr. Speaker: Order. It would help us all if the hon. Member for Langbaurgh would keep quiet.

Mr. John Carlisle: When my hon. Friend meets the chairman of the British Olympic Association, will he express to him the extreme anger of British sportsmen and sportswomen at the treatment afforded to Miss Zola Budd, who was hounded out of this country by Left-wing political extremists? Does he agree that those bigots and hypocrites have no place in sport or the Olympics? I hope he agrees that the time has come to return sport to the sportsman and not to the politician.

Mr. Moynihan: My hon. Friend will be aware that that is a matter not for the BOA but for the International Amateur Athletic Federation and the British Amateur Athletic Board. Having said that, my hon. Friend will be aware that there are millions of people outside the Chamber who share the strength of his opinions.

Mr. McCartney: Would the Minister care to express a view on the fact that amateur rugby league in this country is not being provided with the same resources as other amateur sports? Is he prepared to meet the parliamentary group to discuss the future investment in the sport at amateur level and at school and university level? Given the nature——

Mr. Speaker: Order. The question is about the Olympics, not about football.

Mr. McCartney: I understand that. To get to Olympic standard, the sport needs resources at amateur level and at school and university level. I would be pleased if the Minister would give some indication of his support.

Mr. Moynihan: The hon. Gentleman will know that I am a great fan of rugby league. There have been some outstanding performances this year at amateur level and the sport is deserving of considerable support at both local and national level. The hon. Gentleman will need to direct his comments not just to International Olympic Committee delegates and the BOA, but to other countries, if he is to achieve his aim of seeing rugby league played as an Olympic sport.

Mr. Hayward: Will my hon. Friend consider asking the chairman of the BOA to convey internationally the efforts of the Sports Council to put a stop to the use of drugs and convince other countries, for example, the United States, which is a major offender in sports in terms of taking drugs?

Mr. Moynihan: My hon. Friend is absolutely right, This is not just a national but an international problem. It is for that reason that I have had meetings with the president of the IOC, Juan Samaranch, as well as the president of the IAAF. We had a major breakthrough during bilateral discussions with the German Democratic Republic, when we reached an agreement over the exchange of personnel and further developments in this area, which we hope will come to fruition in the not too distant future.

Mr. Denis Howell: As the IOC and representatives of every one of the 26 Olympic sports long ago decided that no one connected with South African sport should be involved in the Olympic movement and that the spirit of that undertaking should be observed by international athletes, does the Minister not think that his remarks a few moments ago were wholly out of place and outwith the interests of British sport?

As the Minister is meeting the chairman of the IOC about his letter to John Smith, why has he not yet met formally either the chairman or any other member of the executive of the Central Council of Physical Recreation—which comprises the governing bodies of British sport—which he did not see fit to invite to address his conference on Monday, although there were 18 speakers? Does he realise that he can make progress with British sport only if he respects the voluntary and democratically elected nature of British governing bodies of sport?

Mr. Moynihan: If the CCPR was that keenly interested in the conference, one would have thought that the two invitations sent to it would have been accepted for the whole day. Only one person turned up, and he left at lunchtime.

As for my comments to my hon. Friend the Member for Luton, North (Mr. Carlisle), I should say that the Government are totally committed to the Gleneagles agreement and remain so. The answer that I gave my hon. Friend, which can be read in tomorrow's *Hansard*, was that there can be no doubt that millions of people outside the House share the strength of the sentiments expressed by my hon. Friend.

Mr. Harry Greenway: Does my hon. Friend agree that politics could be the death knell of the Olympics and all sports? Is it not high time that politics was taken out of sport in all lands, altogether?

Mr. Moynihan: In an ideal world nobody would disagree with my hon. Friend. However, I regret to say that there are too many people who use the sporting

playing fields and arenas to focus their political attentions. That is to the detriment of sport and, therefore, the thrust of what my hon. Friend has said meets with complete agreement from me.

Homelessness

8. **Mr. Simon Hughes:** To ask the Secretary of State for the Environment if he will give figures for the number of households accepted as homeless in Greater London in 1979 and in 1987; and what is Her Majesty's Government's policy for reducing homelessness in London.

Mr. Ridley: Acceptances in 1979 and 1987 were 16,650 and 30,000 respectively, I should emphasise that these figures represent households qualifying as homeless under the terms of the Act. It is likely that most had some form of accommodation before applying.

Mr. Hughes: Do the Secretary of State and the Government not stand condemned by those figures, which show that under the Tory Government homelessness in London has doubled to 30,000 families a year, while the number of rented properties has diminished by 13 per cent., or 200,000? Is not the only solution for the Government to realise that affordable rented accommodation is required to meet the needs of the homeless? Is not the only immediate prospect of that an amendment to the Housing Bill on Report next month to ensure that in London, as in the rest of Britain, we have affordable rented housing for those who would otherwise have inadequate housing or no housing at all?

Mr. Ridley: No, Sir. The failure lies very much with the local housing authorities, which are responsible for housing. I am glad to say that the category that really counts—those in bed-and-breakfast accommodation—has grown smaller. The figures fell from 8,000 at the end of the first quarter of last year to 7,000 at the end of the year. That 7,000 is almost one fifth of the number of council-owned void and squatted properties, which stands at 33,000, so there are almost five times as many houses as people in bed-and-breakfast accommodation. The hon. Gentleman mentioned money. I point out that this year more than £800 million is available for housing capital works in the London boroughs, so it can hardly be said that the boroughs do not have the resources, given that most of the repairs necessary cost less than £15,000 per unit.

Mr. Bowis: I do not underestimate the need to look for solutions to the genuine problems of homelessness, but does my right hon. Friend agree that the definition of homelessness needs to be kept under constant review? In the light of his answer to the hon. Member for Southwark and Bermondsey (Mr. Hughes), does he recognise the need to introduce measures to cajole, if not force, Labour authorities sitting on empty or squatted properties to put them to good use to help homeless people?

Mr. Ridley: Yes. We should always keep all these matters under close review. I agree with my hon. Friend that we must prevail upon local authorities to bring more of their properties back into occupation. I would add that the Housing Bill will definitely greatly increase availability in London because of the large number of empty private properties that may by released by removing the Rent Act restrictions.

Mr. Tony Banks: How dare the Minister blame local authorities in London for the homelessness crisis? Is he aware that there are between 30,000 and 40,000 people in 600 bed-and-breakfast hotels in Greater London? It is absolutely insufferable for the Minister to stand there in his complacent fashion and blame someone else. Why do the Government not accept responsibility for the scandal and crisis of homelessness in London? Why does the Secretary of State not do something positive for once? Why does he not call together the leaders of all the local authorities in London, Tory and Labour alike, for a conference to try to find some way of working the problem out together?

Mr. Ridley: The hon. Gentleman's last suggestion that I should call the leaders of the London boroughs together makes my point, that it is the responsibility of the London boroughs to deal with homelessness. Parliament has placed that responsibility on local authorities. Half the time I am told not to interfere with local authorities—except when Opposition Members try to make a political point.

I would add that the money available to local authorities—as I said to my hon. Friend the Member for Battersea (Mr. Bowis)—for repair and restoration of houses is £800 million a year. There is plenty of opportunity for authorities to put the problem right. Furthermore, the figure that the hon. Gentleman gave is not the figure that I have for those in bed-and-breakfast hotels, which was 7,000 households—not 30,000—at the end of last year.

Mr. Nicholas Bennett: Does my right hon. Friend recall the parliamentary answers that he gave at the beginning of the year concerning empty properties nationally and in London, and rent arrears, showing that the constituency borough of the hon. Member for Newham, North-West (Mr. Banks) had the highest number of empty properties anywhere in London and that the borough council of the hon. Member for Southwark and Bermondsey (Mr. Hughes) had 1,800 empty properties and took six months to relet them?

Mr. Ridley: The figures for Newham show that at the end of 1987 there were 2,764 void dwellings and 575 households in bed-and-breakfast accommodation. The answer to the problem is perfectly clear—those homeless people could have been housed in the empty properties in Newham.—*[Interruption.]*

Mr. Speaker: Order. It would be helpful to the whole House if Members' questions could be confined to the Minister and not asked of each other across the Chamber.

Dr. Cunningham: How can the Secretary of State deny responsibility for London's housing problems or those of the country as a whole when the Government have deliberately and systematically cut local authority housing investment programmes by more than 70 per cent. in real terms during their period in office? Does the Minister agree with his right hon. Friend the Member for Henley (Mr. Heseltine), who, in addressing himself to this problem, said

that he was far from persuaded that building more and more houses which fewer and fewer of our children could afford to buy would solve the problem of homelessness?

Mr. Ridley: The hon. Gentleman has always failed to realise that, on top of capital allocations, 20 per cent. of receipts is available to local authorities to spend. That amounts to a record figure of £6,000 million for capital investment.

The hon. Gentleman quoted my right hon. Friend the Member for Henley (Mr. Heseltine), who I wish was with us. I shall quote exactly what he said.

Dr. Cunningham: I have his words here.

Mr. Ridley: I have them too. My right hon. Friend said:

"If there is an assumed right of the newly created family, the newly separated single family or the pensioner living longer to have a home in the south-east, then we are effectively abandoning the south to an inevitable and irreversible erosion of the very qualities that are today so prized by those who live there."

That is the view of my right hon. Friend. What he means is that surplus people should be transported.

Housing Stock

9. **Mr. Patchett:** To ask the Secretary of State for the Environment whether he has any proposals to prevent the deterioration of the housing stock in England and Wales.

Mr. Ridley: Proposals for the improvement of the housing stock in both the private and public sectors were included in last September's White Paper "Housing: The Government's Proposals".

Mr. Patchett: Given the present housing crisis, will the Minister allow local authorities to spend at least some of the moneys accrued from the sale of council houses on making improvements, to meet the basic needs of existing council tenants?

Mr. Ridley: I said earlier that local authorities may spend 20 per cent. of their housing receipts per year, which means that they can spend money, but over a period of time. That sum, together with the allocations, results in the high total of about £6 billion a year for local authority capital investment. I do not believe that the hon. Gentleman has noticed that both figures should be added to give the real total.

Mr. McLoughlin: Will my right hon. Friend consider forcing local authorities that have empty houses to ensure that those properties that have been empty for longer than six months go on to the housing market for homesteading purposes? One of the problems of public sector housing is that many properties on housing estates become dilapidated. Young people would like the opportunity to buy those properties at prices they could afford, for the purpose of doing them up themselves.

Mr. Ridley: I agree with my hon. Friend. There is every possibility of homesteading taking place. I have listened to the pressure from my hon. Friends that we must do something more with empty council houses, and I certainly take their comments seriously.

Mr. Rooker: Does the Minister agree that the rate of renovation and new building when taken together should at least equal the rate of deterioration, otherwise, whatever figures the Minister may quote at the Dispatch Box today, matters will only get worse? Will he dismiss and completely repudiate the comments of his hon. Friend the Member for Mid-Staffordshire (Mr. Heddle) talked of people—and he must have meant the elderly—under-occupying their homes, saying that they ought to be chucked out to make room for others?

Mr. Ridley: It is for my hon. Friend to look after himself, as I am sure he can do very ably. I can tell the hon. Gentleman, however, that if he adds together allocations and the amount spent from receipts he will find that the total is running at a very high level. Furthermore, it has been increased because of the success of the right-to-buy policy, which has produced more receipts.

Mr. David Nicholson: Is my right hon. Friend aware that we await firm decisions on the future of improvement grants with some concern? First, such proposals would, we hope, minimise the invasion of the statutory and non-statutory green belt. Secondly, I hope that they would help the owners of Woolaway homes in my constituency, about which I have corresponded with the Minister of State and which face severe deterioration as a result of non-traditional building methods.

Mr. Ridley: I can tell my hon. Friend, first that proposals to reform the system of improvement grants will be the subject of legislation at the earliest possible opportunity, so that money can be concentrated on the cases of greatest need.

Secondly, considerable extra allocations have been made for defective housing, and a further £20 million has recently been released for the very purpose of trying to gain ground against the large number of defective houses that need to be put right. Most councils with such houses will find that they have recently received a large new allocation.

Housing Corporation

10. **Mr. Geraint Howells:** To ask the Secretary of State for the Environment what is the number of people employed by the Housing Corporation; and by what percentage he expects the number to rise over the next three years.

Mrs. Roe: As at 1 April 1988 the number of staff employed by the Housing Corporation in England whose costs are met from my Department's programme was 573. Future staffing requirements are currently being assessed in the light of the functions to be conferred on the Housing Corporation under the Housing Bill now before Parliament and the proposed establishment of separate bodies which will carry out the corporation's functions in Wales and Scotland.

Mr. Howells: I thank the Minister for that very thoughtful reply. It is well known in the House that she is a staunch devolutionist, and I am delighted with the news that Wales will have its own Housing Corporation. In view of the large guango that is building around the Housing Corporation in England, will she bring forward proposals to devolve power to the various regions of England?

Mrs. Roe: As I have already said, we announced that amendments to the Housing Bill would be brought forward to transfer the Housing Corporation's functions in Wales to a new body, Housing for Wales. The Housing

(Scotland) Bill currently before Parliament also provides for the Housing Corporation's functions in Scotland to be transferred to a new body, Scottish Homes, the constitution and staffing of which are matters for my right hon. and learned Friend the Secretary of State for Scotland.

Council Housing and Home Ownership

11. **Mr. Pike:** To ask the Secretary of State for the Environment what was the total subsidy to council housing for the year 1980-81 and for the year 1987-88; and what was the total level of support for home ownership for each of the same two years.

Mr. Ridley: Housing subsidy up to 1980-81 was paid under a different system, so I am using 1981-82 as the base year for this reply. Council houses in receipt of Exchequer subsidy and contributions from general rate funds received an average of £265 in 1981-82; those similarly supported in 1987-88 received an average of £271. In addition, housing benefit was available to those who qualified. Owner-occupiers receiving mortgage interest tax relief in 1981-82 obtained an average of £514 and in 1987-88, £576.

Mr. Pike: Is it not a fact that over the past nine years there has been a reduction of 1 million in the number of properties available for rent, and that more than half are in the private rented sector? Is it not true to say that the number of properties to rent will continue to decline until the Government give those who want to rent a fair deal comparable to that available for those who wish to purchase their homes?

Mr. Ridley: First, the figures that I have given to the hon. Gentleman are not really comparable, because subsidies to council house tenants are not comparable with mortgage tax relief as the subsidy to council housing is calculated on the historic cost of building the house, whereas mortgage relief goes to people who have paid market values for their homes. If it were calculated on a comparable basis, the subsidy to the council tenant would be very much higher. Secondly, I hope that the hon. Gentleman will support the Housing Bill, which aims to bring forward more social housing to rent on a large scale.

Mr. Ashton: On a point of order, Mr. Speaker. The Minister is misleading the House. He has been asked for total subsidies, not individual house subsidies.

Mr. Speaker: Order. Ministers do not deliberately mislead the House and I am not responsible for their answers.

Mr. Dykes: Does my right hon. Friend agree that the increase in home ownership under this Government is one of the Government's greatest success stories? Does he further agree that, in the outer London boroughs, a paradoxical effect is beginning to develop whereby very tight planning controls are needed to have a dampening effect on developers with strong financial power because they are impinging too much on a particular area and preventing first-time buyers making their first purchase?

Mr. Ridley: I entirely agree with my hon. Friend that the policy of encouraging people to buy their own homes has been one of immense success and satisfaction to the over 1 million tenants who have exercised their rights.

With regard to my hon. Friend's other point, as he knows, we consider all planning applications and policies with the greatest of care and I am fully aware that in some parts of the London suburbs there is a feeling that they are being asked to take too great a density to relieve pressure elsewhere.

Ms. Armstrong: May I invite the Minister to answer the question that was tabled? If he cannot deal with the total subsidy to council housing nationally, perhaps he will tell the House what is the differences in housing allocation for the north of England, in terms of Government subsidy to council housing, between 1980 and today?

Mr. Ridley: I would be happy to give the hon. Lady the global figures, but they mean little unless one directs them to the number of houses to which they are applicable. The total figures for Exchequer contributions to council housing in 1981-2 was £1·3 billion and in 1987-88, £0·8 billion. *[Interruption.]* There were many fewer houses. Mortgage tax relief cost £2·7 billion in 1981-82 and £4·3 billion in 1987-88, when there were many more houses. Housing benefit amounted to £1·7 billion in 1981-82 and £3·5 billion in 1987-88.

Mr. David Shaw: Is it not true that the amount of private housing now being built is back to the 1973 level, which was the highest for some years? Is it not also true that people want to buy and live in private, rather than public, sector housing? Is it not further true that much public sector housing has deteriorated badly in recent years, with massive maintenance being required after about eight years, and often complete rebuilding within 30 years? Is it not therefore true that the best value for money over the past 30 years has been private sector housing?

Mr. Ridley: I cannot be absolutely sure, without notice, of the figure that my hon. Friend quoted, but it is certainly true that last year was the best year for house construction for many years. With regard to the relative merits of owner-occupation and renting, there is a need for supply in both markets, for people to buy and rent houses. That is why we are taking action through the Housing Corporation and the Housing Bill to provide more social housing to rent.

Mr. Soley: Why is the Minister so ashamed to admit to the figures that were eventually wrenched out of him by the Opposition? Why will he not accept that there are 1 million fewer homes available for rent in this country since 1980, over half of them from his much loved private rented sector? Why do Conservative local authorities use council rents to subsidise ratepayers when, at the same time, we are prepared to use taxpayers' money to subsidise the private sector? Why can he not get his act together and make sure that there is a proper subsidy for people who seek to rent in both the public and private sectors.

Mr. Ridley: The question asked for figures which would have been misleading because, obviously, subsidy must be related to the number of houses to which it is applied, not to the total figure irrespective of the number of houses. My later point, which the hon. Gentleman did not deny, was that because council house subsidies and rents are based on historic costs the true cost of the subsidy of those houses is represented by the cost of disrepair, because enough money has not been put by to repair them and eventually replace them when that is necessary. These

figures are not similar, and I made my best efforts to give the hon. Member for Burnley (Mr. Pike) the figures for which he asked.

Crown Suppliers

13. **Mr. Dalyell:** To ask the Secretary of State for the Environment, pursuant to the answer of 20 April, *Official Report*, columns *817-18*, what criteria he intends to use in assessing the public interest in the proposed privatisation of the Crown Suppliers.

Mr. Chope: I shall ensure that the public interest is taken into account by having regard to wider Government policies, including those for privatisation, procurement, value for money and the maintenance of adequate security.

Mr. Dalyell: Does the House of Commons have the clearest, unambiguous assurance that before any moves to privatise the Crown Suppliers there will be legislation? Or is Parliament to be bypassed?

Mr. Chope: It is not my practice to comment on press speculation about advice requested from or given by officials. I am considering the details of the package for the Crown Suppliers' activities which will be offered for sale to the private sector and the arrangements for the staff of the Crown Suppliers. It is certainly not my intention to bypass this House as yesterday's articles in *The Guardian* and *The Independent* suggested.

Mr. Holt: In his consultations and deliberations on privatising the Crown Suppliers, did my hon. Friend recognise the recent experience of Langbaurgh council when it put lighting maintenance out to contract and its in-house tender of £450,000 was beaten by a private sector tender by £150,000? As a consequence, the ratepayers are that much better off and, more important, workers who had their jobs transferred to the private sector are now earning £40 a week extra.

Mr. Chope: My hon. Friend's latest evidence from his local authority area of the massive savings that can be made from privatisation are being replicated in other areas as the Local Government Act 1988 is implemented. There is no doubt that billions of pounds can be saved for local authorities by going out to competitive tender.

Mr. Boyes: Is the Minister aware that his treatment of the loyal and skilled work force of the Crown Suppliers is seen as high-handed and downright insulting? Does he recall that a petition given to him on his visit to Hastings and signed by 99 per cent. of the work force condemned privatisation and his handling of the situation, and called for staff transfer on a voluntary basis? Why does he not give the Hastings' work force, and, indeed, the entire Crown Suppliers' work force some straight answers, instead of treating them as objects to be flogged off at an auction?

Mr. Chope: The hon. Gentleman does a disservice to himself and to the loyal employees of the Crown Suppliers. It is certainly the intention of management to use its best endeavours to meet staff preferences, but I cannot give assurances that all staff who do not wish to work for the privatised Crown Suppliers can be found jobs within the Civil Service.

European Football

14. **Mr. Pendry:** To ask the Secretary of State for the Environment when he will next meet the chairman of the Football Association to discuss the future of English participation in European football.

Mr. Moynihan: I met the chairman of the Football Association on Saturday 14 May, together with the president of UEFA and the president of the Football League. It was agreed that the decision on the re-admittance of English clubs was for UEFA and that it would take it in the light of my report of the domestic season and events during the European championships finals.

Mr. Pendry: When the Minister next meets the chairman of UEFA, will he give him, and all of us, some good news? Will the Minister tell him that he intends in future to speak up for our national game and highlight the successes of English football over the past three seasons? In particular, will the Minister praise those who attended last night's match when Manchester United, which would be returned to Europe should the ban be lifted, played the Italian champions AC Milan in front of a crowd of 37,392 and there were no arrests inside or outside the grounds? As this is not an isolated occasion, why is the Minister not being positive and saying that we should be back in Europe? Or will he continue to chicken out?

Mr. Moynihan: I will always speak up for success and I will always speak out against hooliganism. For that reason I have been determined throughout the whole season to put in place a package of measures to deter hooliganism. As for the European championships in West Germany in June, I hope that the comprehensive approach to tackling the problem, particularly through police intelligence and co-ordination, will be successful. Of course I praise games where there have been no arrests, but I hope that the day will come when I need not comment on there being no arrests, because there never should be arrests at sporting venues.

Mr. Ashton: Is the Minister aware that his record in supporting the application of British teams has been despicable this season? Why should innocent people who have committed no offence see their teams barred because of the antics of a few National Front supporters, who will be judged on their behaviour in Germany this summer? When will the Minister start backing British teams and praising British crowds for their good behaviour over the last three years?

Mr. Moynihan: I recognise that the vast majority of football fans go along to enjoy the game and do not want to have anything to do with hooliganism. It is fair to say that the hooligan element is not a football fan element but a criminal element. Regrettably that criminal element has done enormous damage to our national game and to our reputation, not least at Heysel. I am determined to take every possible measure to ensure that the innocent are protected and that at every opportunity we bring to book the criminals—*[Interruption.]*—who have caused so much trouble for our national game.

Several Hon. Members *rose*——

Mr. Speaker: Order. I do not know what it is about Environment questions that always lead to an excited atmosphere.

Mr. John Carlisle *rose*——

Mr. Speaker: Order. I endeavour to call hon. Members on a fair basis. The hon. Gentleman has had one supplementary question. I decide the order in which Members are called.

Mr. Carlisle: I am very grateful to you, Mr. Speaker. Does my hon. Friend accept from me, as vice-chairman of the all-party football committee, that he has the full support of the Tory Benches in his determination to make the Football Association, the Football League and the European football authorities responsible for their own behaviour and that of their clubs? Does he agree that if more clubs had followed the example of Luton Town football club, worthy winners of the Littlewoods cup, in banning away supporters, with the result that there were no problems of hooliganism this season, all British clubs would be readmitted to Europe?

Mr. Moynihan: I appreciate, recognise and support what Luton has done. It is deserving of support from both sides of the House. As my hon. Friend will know, the package of measures required to tackle hooliganism varies from ground to ground and circumstance to circumstance. It was for that reason that we took police advice on the level of membership schemes appropriate to deter hooligans at each and every ground in the Football League.

Mrs. Margaret Ewing: Has the Minister monitored the increasingly good behaviour of Scottish football fans, which has meant that no Scottish football teams have been banned from European competition, unlike their English counterparts? Therefore, we should not be talking about British teams in this context. Will he join the chief constable of Strathclyde in congratulating the football crowd at the Scottish cup final on Saturday on their good behaviour, in spite of the provocation of some unusual spectators?

Mr. Moynihan: In regard to the UEFA decision, I have always referred specifically to the readmission of English clubs, because that is what we are talking about. However, because of the record of previous years it has been necessary to put in place exceptional measures in preparation for the game on Saturday. I hope that those measures and the recognition by Scottish as well as English fans of the importance of having a trouble-free game on Saturday will be borne in mind, especially as we are on trial when it comes to UEFA's decision later this season.

Mr. Favell: Will my hon. Friend take it from me that, contrary to the impression given by Opposition Members, the vast majority of people support him entirely in his view that, until he is satisfied that British football fans can behave, under no circumstances should they be allowed to go abroad and bring shame and disgrace to this country?

Mr. Moynihan: I am grateful to my hon. Friend for his support. There will never be a time when the Government can guarantee the behaviour of fans in Europe. However, I hope that the comprehensive package of measures to deter hooliganism will result in UEFA recognising that there has been a satisfactory improvement in our national game. *[Interruption.]*

Mr. Speaker: Order. We are not on the football terraces here—*[Interruption.]* Order. The hon. Member for Langbaurgh (Mr. Holt) does not help with his continual shouting across the Chamber.

Mr. Denis Howell: We shall be playing added time, I take it Mr. Speaker.

The Minister is correct to describe the evil people attached to football grounds here and abroad as criminals. However, if that is the case, why are the Government expecting football clubs to police those criminals and to pay the bill? Why are football clubs paying for the policing of their grounds if, as the Minister says, the problem has nothing to do with football clubs? Why does he expect the Football Association to have any control over evildoers abroad? That is something that it should not be expected to do. If this is the Government of law and order, when will their law and order policies bring peace to football?

Mr. Moynihan: I have never said that the problem has nothing to do with football clubs. On the contrary, the package of measures requires decisive action by football clubs to deter the hooligans. The importance of the clubs providing the police inside their grounds is reasonable, as they are going into private property. Outside the football grounds the Government, through the police authorities, pay for extensive policing from the public purse. There is no doubt that the determination shown by the Government in association with the football authorities is absolutely essential if we are to solve these problems. We have to continue with such determination in the future.

BILL PRESENTED

English Church

Mr. Tony Benn, supported by Mr. Eric S. Heffer, Mr. Jeremy Corbyn, Mr. Bill Michie, Mr. Bernie Grant, Mr. Tony Banks, Mr. Bob Cryer, Mrs. Alice Mahon, Mr. Dennis Skinner, Ms. Mildred Gordon, Mr. Chris Smith and Mr. Bob Clay, presented a Bill to disestablish the Church of England: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 156.]

"The House Magazine"

3.31 pm

Mr. David Winnick (Walsall, North): On a point of order, Mr. Speaker. Has *The House Magazine* any official status in the House? I ask this question because the article by the right hon. Member for Shropshire, North (Mr. Biffen) in the current edition does not apparently include all that he wrote. What has been deleted?

Mr. Speaker: That is not a matter for me. I am not responsible for *The House Magazine*. I cannot answer the question that the hon. Gentleman is about to put to me. He should raise it with the editor.

Mr. Winnick: On this point——

Mr. Speaker: No, I cannot answer a question like that. The hon. Gentleman now knows perfectly well the content of that article. He would not expect me to make any comment upon it. Nor do I think it is appropriate for him to raise it in the Chamber.

Mr. Tam Dalyell (Linlithgow): You will recollect, Mr. Speaker, that on a previous occasion an article was written in a review of a book by a professor of journalism, a former business editor of *The Times*, about a correspondence and contact between a Grand Companion of the Bath, Sir Robert Armstrong, and a Companion of the Bath, Sir Brian Hayes. As a result of that article, the whole issue of *The House Magazine* was pulped.

There is cause for reflection by the Chair, because outside the House, whether we like it or not, *The House Magazine* is seen to have the imprimatur of Parliament. If the magazine has nothing to do with the House, why does it have the portcullis all over it? It must be one thing or the other. This review by a respected journalist caused embarrassment to 10 Downing street. Now embarrassment has occurred again for the same reason.

Mr. Speaker: *The House Magazine* is nothing to do with me. It is nothing to do with a point of order. It is a private publication, and a number of hon. Members sit on the editorial board. I cannot answer questions about it in the Chamber. It has nothing to do with me.

Mr. David Harris (St. Ives): Further to that point of order, Mr. Speaker. I heartily endorse everything that you have said. As somebody who has an article in the current issue of *The House Magazine*, which was cut and overwritten, may I say that the points of order that have been raised by Opposition Members are completely bogus?

Several Hon. Members *rose*——

Mr. Speaker: Order. I am not prepared to answer any questions about *The House Magazine*. It is absolutely nothing to do with me—[HON. MEMBERS: "What about the portcullis?"] That matter should be drawn to the attention of the appropriate authorities. I am not responsible for that either.

Mr. Dennis Skinner (Bolsover) *rose*——

Mr. Dalyell *rose*——

Mr. D. N. Campbell-Savours (Workington) *rose*——

Mr. Richard Holt (Langbaurgh) *rose*——

Mr. Speaker: Order. I call Mr. Holt.

Mr. Holt: During questions today, Mr. Speaker, you had occasion to reprimand me. I have no reason to cause you any aggravation and I respect this House very much. You know and I know, because we have had a private conversation on this matter—[HON. MEMBERS: "Oh."]—that I will continue to shout, "Shut up, Skinner," as long as—*[Interruption.]*

Mr. Speaker: Order. It would be unwise if private conversations were exposed in the Chamber because then they would hardly be private. I must advise the hon. Gentleman—*[Interruption.]* Order. I say to the House that it is a great disservice while the Chair is seeking to concentrate—a high level of concentration is required at Question Time—if hon. Members continually seek to cause distractions. *[Interruption.]* I must advise the hon. Member that every time that he comes in and does that it causes a disturbance. I ask him to refrain from doing it in future.

Mr. Dalyell: On a point of order, Mr. Speaker.

Mr. Speaker: Order. No further point of order arises.

WELSH AFFAIRS

Ordered,

That the matter of Education and Training for Employment in Wales, being a matter relating exclusively to Wales, be referred to the Welsh Grand Committee for its consideration.—*[Mr. Peter Lloyd.]*

EUROPEAN COMMUNITY DOCUMENTS

Ordered,

That European Community Documents Nos. 7658/86+COR 1 and 9928/87 on the protection of workers from the risks related to exposure to chemical, physical and biological agents, 10662/87 on the protection of workers from the risks related to exposure to carcinogens at work, and 4544/88 on the marketing and use of certain substances and preparations be referred to a Standing Committee on European Community Documents.—*[Mr. Peter Lloyd.]*

Mr. Speaker: We now come to the ten-minute Bill.

Mr. Campbell-Savours: On a point of order, Mr. Speaker.

Mr. Dalyell: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I am not taking further points of order on that matter.

Mr. Campbell-Savours *rose*——

Mr. Speaker: Does it concern *The House Magazine*?

Mr. Dalyell *rose*——

Mr. Speaker: Order. I called Mr. Campbell-Savours.

Mr. Campbell-Savours: Could you advise me, Mr. Speaker, about whom one should approach regarding the misuse of the portcullis?

Mr. Speaker: The Serjeant at Arms.

We now come to the ten-minute Bill. I call Mr. John Battle.

Mr. Dalyell: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I am not prepared to take his point of order and the hon. Gentleman knows the reason. I ask him to obey the Chair.

Statutory Minimum Wage

3.37 pm

Mr. John Battle (Leeds, West): I beg to move,

That leave be given to bring in a Bill to introduce a statutory minimum wage to be paid in all industries and services as a requirement on employers.

I have been asked why I have chosen this opportunity to bring before the House a Bill about a statutory minimum wage. My answer is that it is my first opportunity to do so. First, I represent an area of west Yorkshire in which low pay is the primary cause of family poverty. Secondly, this could not be a more apt time to introduce the Bill because, when our Budget debates have to the national average male wage of £244 per week in Britain, it does not seem to me that there is widespread awareness of how little many people have to live on week by week.

The primary aim of my Bill, therefore, is to eradicate poverty by tackling a primary cause—the persistence, even in what is heralded by the Government as a booming economy, of low pay. My Bill will bring forward a framework for the introduction of a statutory minimum wage in Britain, built on the establishment of a basic level of two thirds of the average wage, with a procedure for regular revision of that figure, and monitoring and enforcement provisions by a new minimum wages inspectorate.

First, I shall address the question whether there is a need for the Bill. West Yorkshire has been traditionally renowned as an area of Britain which pays lower wages than elsewhere. In the heart of my constituency of Leeds, West, which is a traditional textile and engineering manufacturing area, is the Bramley jobcentre. The jobs that are on offer at that jobcentre are predominantly in the service sector and are part-time, temporary and low-paid. One of the best jobs on offer is a general catering assistant post at the princely rate of £2·10 an hour. There are five cleaning jobs featured in the jobcentre window with hourly rates that range from £1·70 an hour. For those who cannot do the arithmetic, that works out at £68 for a 40-hour week. There is a job for a play scheme leader, who needs to have experience and references, at a wage of £55 a week. One can apply for a job as a security guard at a rate of £1·50 an hour for a basic 60-hour week.

This means that there are many working for much less than £2·50 an hour, or £100 a week, which is well less than half the national average of £244 that has been cited in the Budget debates. That is well below the Council of Europe's decency threshold of £3·50 an hour, or £135 a week, which has been fixed for the whole of Europe. In reality, about 9·4 million adult workers in Britain earn less than the Council of Europe's decency threshold of £135 for a week's work. That is one in three of male manual workers in Britain.

The new earnings survey, to which I shall refer briefly without citing figures, spells out the fact that many workers in west Yorkshire are on less than £100 a week. Many workers in Yorkshire, both manual and non-manual—these are predominantly women—earn significantly less than the decency threshold, or half the accepted national average.

Some may say that the remnants of the wages councils remain to deal with the issue. In 1987, 23 per cent. of the establishments checked by the councils were found to be paying less than the set levels. The clothing industry is one of the lowest of the low-paid industries, yet the Minister has been petitioned to abolish the wages council that sets wages in that industry and its hourly rate is £1·98 an hour.

A new minimum wages inspectorate is needed to replace the voluntary approach which has been tried and has failed. If the view is presented that most low-paid workers are women who do not need the money they earn —the so-called pin-money argument—and that home workers, who number about 250,000 in Britain, and piece-rate workers should not be counted, I shall press the argument for economic justice in our society by using the following quotation:

"Just remuneration for the work of an adult who is responsible for a family means remuneration which will suffice for establishing and properly maintaining a family and for providing security for its future."

I suggest that that should be our baseline approach. To generate a low-wage economy for a large minority in our society alongside the current economic boom for the rest of us is grossly unjust. It is pricing people into work at the expense of their families.

I shall use what little time remains to me to argue that a statutory minimum wage will not jeopardise the economy but will increase its efficiency. I could press the case that a national minimum wage operates effectively in many other countries. I could further ask, with the move to an integrated European labour market in 1992, what more opportune moment could there be to prepare for it by adopting the Council of Europe's decency threshold as the statutory minimum wage? Without a commitment to a national minimum wage, we perpetuate the conditions that manufacture poverty in our society alongside the wealth of others.

The Bill offers an opportunity to change those conditions and to introduce a basic cornerstone that will enable us to tackle poverty in our society. The way to prevent poverty is to pay decent wages and not force families into the benefit system. I hope that the Bill will gain the support of the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. John Battle, Mr. Frank Cook, Mr. Derek Fatchett, Ms. Clare Short, Mr. Chris Smith, Mr. Tony Blair, Mrs. Alice Mahon, Ms. Harriet Harman, Mr. Tom Clarke, Mr. Kevin Barron, Mr. Ian McCartney and Mr. Doug Henderson.

STATUTORY MINIMUM WAGE

Mr. John Battle accordingly presented a Bill to introduce a statutory minimum wage to be paid in all industries and services as a requirement on employers: And the same was read the First time; and ordered to be read a Second time upon Friday 8 July and to be printed. [Bill 168.]

Orders of the Day

British Steel Bill

As amended (in the Standing Committee), further considered.

Clause 1

VESTING OF PROPERTY ETC. OF BRITISH STEEL CORPORATION IN A SUCCESSOR COMPANY

3.45 pm

Mr. John Maxton (Glasgow, Cathcart): I beg to move amendment No. 10, in page 2, line 13, at end insert

(7) The Secretary of State shall, after consultation with the appropriate trade unions, nominate to the board of the successor company two directors in the employee interest.'.

In Committee, my hon. Friend the Member for Great Grimsby (Mr. Mitchell) moved two new clauses to ensure the appointment to the board of the new company of directors selected by the trade unions who represent workers in the steel industry. The new clauses tried to obtain a large representation for such directors on the board. I believe that one of the new clauses tried to establish that one fifth of the board should be worker directors or appointed by the trade unions. The new clauses were rejected by the Government, with their Tory majority, one because the Government claimed it was otiose, and the other on a matter of principle.

This amendment is more modest. It does not suggest that the appointment should be made by the trade union movement. It proposes that the Government should appoint two directors to the board of the successor company after consultation with the appropriate trade unions. So in theory, if not necessarily in practice, the directors may not be members of the trade union. They may not work in the steel industry or even be the people suggested by the trade unions. We know that all Governments, and particularly this one, do not necessarily accept the advice of those they consult. To be honest, there is no reason why they should. Consulting does not necessarily mean taking the advice given.

The only clear criterion that we are seeking to lay down for these two directors is that they should be appointed to represent the interests of the employees. Obviously, our amendment had to be different for procedural reasons. If it had been the same as the new clauses I doubt whether it would have been selected for debate. We hope that our more limited proposal will attract the support of the Government. It meets at least some of the objections that the Under-Secretary made during his rebuttal of our new clauses in Committee. He referred, as did my hon. Friend the Member for Motherwell, South (Dr. Bray) to the problems that arose when worker nominees were appointed to the steel board after nationalisation in the 1960s. In this case, however, the Government have the right to veto trade union nominees and to suggest their own names.

During the debate in Committee the Under-Secretary of State, the hon. Member for Preston——

The Parliamentary Under-Secretary of State for Industry (Mr. Robert Atkins): South Ribble.

Mr. Maxton: I apologise.

The hon. Member for South Ribble (Mr. Atkins)—I thought that was a bus company—said:

"I hope seriously that the Committee will not consider my next remark as patronising, but I am aware from experience in my own large and industrial constituency"—

the Minister kept claiming that he was a powerful trade unionist—

"that workers do not want to be directors involved on a daily basis with the management of the company. I have spoken to employees in Leyland Vehicles, British Aerospace and BTR. Employees want to make certain that their views can be heard. The complaint has always been about the channels of communication rather than about active participation in the direction of the company."

That is exactly what our amendment seeks to do. It does not seek, as the new clauses sought, to put on the board worker directors appointed by trade unions. It says that we need two directors who will listen to the problems of the workers and will put those problems to the board. It meets exactly the point made by the Minister in Committee and creates a channel of communication between the employees and the board of directors. I hope that the Minister will note that.

I accept that the amendment does not overcome the Minister's more basic objection, that the Government do not wish to put statutory restraints on a new company. That brings us to the basic philosophical divide between the Government and the Opposition. In Committee, the Minister said:

"a director's responsibility is, first and foremost, to the company collectively . . . rather than to a specific electorate". —[*Official Report, Standing Committee D*, 28 April 1988; c. 815-17.]

He was trying to suggest that all directors would maintain an interest in the employees of the company and that there was no need to appoint special directors for that purpose. I think that it was my hon. Friend the Member for Motherwell, South who told the Minister that a company is defined in law as the shareholders. Thus the sole responsibility of directors is to the shareholders and not in any way to the employees or to the community in which the company is based.

The Government and their supporters believe that a company must be run to ensure the maximum profit for those who invest in it. They have little or no concern for the work force or for the rest of the community in which a company is based. If profits can be increased by so-called rationalisation, which as we all know is the polite word for closure, or if losses can be minimised by such a move, it is the interests of the shareholders which will be taken into account by the board of directors. They will not take account of the interests of the work force, those who have invested their labour, time and effort in the company. If profits can be increased by keeping down wages or by altering the conditions of employment, the directors have a responsibility and a duty to ensure that that happens. That is because their first responsibility is the profit of the shareholders.

Employees who have perhaps given their whole working life to a company have a much greater investement in it than do some shareholders who have moved money in for profit and will move it out without a thought if that is the best way to get an increased return. They will sell the shares to whomever will give them the biggest price, whatever the nationality of the purchaser or his motives for buying.

The work force has more right to a say than the shareholders, because the very livelihood of workers depends on the success of the company. Directors from the work force may have a great deal more expertise about the running of the company than some non-executive directors. Such directors may be appointed by an insurance company or other institutional shareholders whose only interest is in ensuring profits for the company and who may have no knowledge whatever of the steel industry.

In Committee, the Minister suggested that the right to purchase shares that the Government would give employees would give them the stake in the company that we are seeking, and that would lead to the appointment of worker directors. However, the Government's proposal for shareholdings for employees is so limited that it is highly unlikely that, even if all employee shareholders were to vote en masse, from top management down to labourer, they would have a voting share large enough to ensure a director on the board. I shall have further questions for the Minister about that.

The Labour party does not believe that this modest amendment will give the work force any real power. In Committee, we repeatedly made it clear that we are opposed to privatisation, and that we believe that the steel industry would be best left in public hands, perhaps with changes that would give the work force a greater share and a greater say in how the company is run. Privatisation is bad for the British economy and for those who work in the steel industry. However, given that the Government majority will push it through, as well as opposing the Bill, we have a responsibility to ensure that if it becomes law, the employees in the industry are protected as best we can in difficult circumstances.

Our two directors might be outvoted when the board suggests closure, but at least there would be someone to give the views of the workers and obtain some concessions from the board. Perhaps I am being over-optimistic in thinking that the Government might accept the principle of this proposal, but I live in hope.

Mr. Michael Fallon (Darlington): It would be churlish of the Conservative party not to recognise that the amendment is at least much more moderate than that tabled in Committee, and that the Labour party has come a long way from the days of Bullock and worker directors —the direction in which we were heading in the late 1970s. Although it is modest, the amendment is as flawed as the previous one because it assumes that the employees' interest is necessarily distinct and separate from the interest of the shareholders or the interest of the company as a whole.

The hon. Member for Glasgow, Cathcart (Mr. Maxton) gave the game away when he said that the other directors would be interested only in profits. That is a misleading view of the duties, responsibilities and interests of the directors of a public company. A director of a public company is interested not simply in profits but in the success of that company and that enterprise, and that embraces the well-being of those who work for it.

As well as being fundamentally flawed in principle by its reference to "employee interest", the amendment, if it were carried, would be defective in practice. Far from strengthening the channel of communication, as has been suggested, it would cut clean across it. For example, what would be the relationship between the two directors and the local steel union convenors, or the national trade union committee, when it came to putting forward the employee interest? Who would be speaking for the employees—the trade unions or the two worker directors?

Secondly, the amendment is defective in practice because it assumes, through its reference to "employee interest", that different directors have different interests and that there can be a specialist director—not simply one who is in a full-time or part-time capacity or is an executive or non-executive member, but specialist in the view that he takes of the duties of a director. It seems to me that those in the new category of worker director would be placed in the impossible and invidious position of weighing their general duties to the company and their general obligations to the shareholders against the particular interest that they should have in regard to their employees. I believe that that would place them in an impossible position and would be no recipe for the smooth running of an important public company. For those reasons, the amendment should be resisted.

4 pm

Mr. Barry Jones (Alyn and Deeside): Notwithstanding the cogency of the argument of the hon. Member for Darlington (Mr. Fallon), he will not be surprised when I say that I support my hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton), who made a very reasonable case.

I consider that the British Steel Corporation work force, which is highly successful and co-operative, deserves extended rights to information, consultation and representation. I do not consider that any work force should be kept in the dark, especially because individual workers in the steel industry often devote their whole working lives to the industry. My hon. Friend, in proposing the amendment, made a strong case for a channel of communication.

Ordinary working people should be involved at every level—on the shop floor through their trade unions. Certainly, the leadership of the trade unions at BSC Shotton would acknowledge that. The work force has earned the ability to get to the heart of the company now proposed. The steel industry has suffered closures, cuts and almost perpetual demanning. Throughout the 1980s, the work force of BSC has broken records and has given the company exemplary co-operation and immense loyalty. It deserves the facility proposed in the amendment.

The amendment does not ask for a great deal. At a major turning point in the history of the industry in Britain, it will help to dispel suspicion and to promote co-operation. I recollect the worker-director scheme as it operated in the 1970s. At divisional level, the worker director of BSC Shotton, Mr. Jack Leonard, played a heroic role, and was the means of expressing the shop floor's views to the managing director. At main board level, the status of the director in the employee interest was very considerable. He could relate directly to the TUC's iron and steel committee and each union then disseminated information to its membership in each steel works throughout the country.

I urge the Government to accept this modest amendment, given that their proposals represent a turning point in the history of the industry.

Mr. Elliot Morley (Glanford and Scunthorpe): If the Government are serious about involving employees in any industry, they should accept the amendment, which relates to worker directors. We have heard about the valuable role of such a position in steel companies and how it has been a link between the work force, giving their trade unions a direct say on the board.

If we are to make progress with industrial democracy, we should include such measures which have been pioneered by BSC and not go backwards, which is what the Government are doing, by throwing out of the window all the work in industrial democracy that has been done within BSC. The amendment would allow the reformed company to become a modern, progressive company, striving to compete in the steel market, and trying to set a model for industrial democracy and the involvement of its work force.

If the work force is meaningfully involved in decision making, as well as the end product, the company will work better and more efficiently and the work force will have a greater commitment to it if the employees feel part of the company and their views are heard and taken into account.

I have worked in industries where much of the manufacturing plant was designed as a result of suggestions from the work force, the people at the sharp end of production who often see ways of making production more efficient, cheaper and more cost-effective. Such progress is best brought about by direct involvement which does not give people a few pounds as a reward for their suggestions, but gives those who work in the industry a real say in decision-making and genuine involvement.

Mrs. Margaret Ewing (Moray): In supporting the amendment, I reflect the views of my party, which firmly believes in employee participation as being a vital factor in improving industrial relations. The amendment concerns the steel industry, a vast, complex and significant industry for economic and social life. The vastness and complexity of the industry produces even stronger arguments for ensuring that employee directors are appointed to the new board. That would ensure that no part of the industry was seen in isolation from the rest of the industry and that there were clear channels of communication from the work force to the management, ensuring that full information about decisions is disseminated and fully comprehended by everyone. That would be a sounder basis for progress.

The hon. Member for Darlington (Mr. Fallon) put forward rather a strange argument when he suggested that employee directors would in some way be at odds with other directors. It seems to me that they would have interests very similar to those of other directors. After all, employee directors would be concerned about the success of the steel industry, as they would be only too well aware that on that success hinged the future security and work prospects of a vast number of people. Therefore, they would participate fully, and would make sure that their views were heard and that any decisions would be to the advantage of everyone in the industry.

This modest amendment gives the Government an opportunity to show the work force in British Steel, and those who will be employed in the steel industry after privatisation, that there is genuine concern to ensure that all aspects of the industry are explained and discussed by all those who consider that the industry will have a vital impact on their future. That future surely includes the employees, and the Government have an ideal opportunity to express their commitment to the work force.

Mr. Stuart Bell (Middlesbrough): The hon. Member for Darlington (Mr. Fallon) said that this was a modest amendment compared with what the Labour party and the Labour movement had in mind in the 1970s with the Bullock report. I well remember the report of Mr. Bullock, which was a great venture to bridge the terrible gap that had existed for a century between capitalism and labour. The ideas in the Bullock report originally came from General de Gaulle, who, from his lofty vision, wanted to find some way of achieving worker participation. He believed that workers ought to participate in the affairs of their companies, other than simply by selling their labour.

In the 1970s, my right hon. Friend the Member for Chesterfield (Mr. Benn) pointed out that a working man invests most of his time, apart from his sleeping time, in the factory or the firm in which he works, and that that investment should have some return, other than simply a wage. De Gaulle had the idea of worker participation, which was taken up by Mr. Bullock in the 1970s and for which we had great hopes at that time.

I remember a conversation with Lord Callaghan who was the Prime Minister of the time. We were discussing ways of getting the Bullock report on to the statute book. He pointed out that with no majority in the House it was impossible. Following the election in 1979, events turned away from the concept of involving workers in their factory other than through the sale of their labour.

When General de Gaulle introduced worker participation, he also introduced a system in France with two sets of books. One set was for the workers on the board and one was for the other directors. When the Italians introduced worker participation, they had three sets of books—one for the directors who were not workers, one for the workers and a third for the tax man. That shows how things were done differently in Italy and France from the way we envisaged worker participation in Britain.

I remember an incident in the 1970s when there was a worker participation experiment in Birtley. A trade unionist on the board of a company in Birtley went to a meeting with the management and came back at 5 o'clock with the management proposals. He told the workers that those proposals ought to be accepted by the workers. The workers tied him to a chair an kept him there all night. They said, "That is what we do with those who come here as worker directors with proposals from the management." Therefore, that experiment came to a sorry end and again we failed to convince the work force that there was an interest for them in having proper participation.

As the hon. Member for Darlington said, this is a modest amendment and one which reflects the fact that the Opposition are unable to make progress other than by way of persuasion. We cannot take on the massed battalions of Tory Members in the Division Lobby. Therefore, we are seeking to persuade the Government that it is an appropriate amendment, worthy of consideration and acceptance.

We must bear in mind the long tradition in the steel industry of worker directors. In the 1960s the steel industry pioneered the idea of worker directors. A series of worker directors over many years were successful in linking the work force of BSC with the management in the best interests of the company and the country. Therefore, we

have seen successful worker participation in the steel industry and that is why we have tabled the amendment, however modest it may be. We wish to see continued involvement of the work force at board level with BSC or its successor company and prior to privatisation.

I make those comments in the interests of my constituents on Teesside who work within the British Steel Corporation. In 1979 there were some 25,000 workers in the steel industry on Teesside and that has been reduced to about 7,000. Many thousands receive a British Steel Corporation pension and they were rudely surprised to learn that under the new social security measures introduced by the Government they were net losers. Taking into account their BSC pension, they were to lose some of the state benefits to which they had become accustomed prior to the change in legislation. As my right hon. Friend the Member for Chesterfield said, those men and some women—although not many—invested their working lives in the steel industry and now see their pensions cut by the Government. That is a great disappointment to those people, as it was to others, who had seen the steel industry as a bastion of the economy on Teesside.

We do not wish to see a privatised steel industry without the worker participation that we desire. We do not wish to see the links between workers and management cut so that they are adrift and we return to a society of "them and us".

The 7,000 or so who continue to work in the steel industry on Teesside look forward to the future of British Steel on Teesside in their interests as workers and as part of the local economy. They wish to see their representatives on the board of the company. We do not know whether the massive takeover of BSC will be followed by the setting up of regional boards with regional input, but if that happens there may be directors on those boards. Certainly, the workers want an opportunity to have their voices heard through worker directors. We ask the Government to take the amendment seriously and to consider it in the best interests of co-operation between labour and capital in the future.

4.15 pm

Mr. Atkins: The substance of the debate is reminiscent of the "them and us" mentality that has characterised the Labour party's industrial relations policy for many years. In many respects, it harps back to the days when that sort of tokenism caused some difficulties. Labour Members, particularly as the party is presently constituted, always assume that the Government and the Conservative party are somehow anti-union and opposed—*[Interruption.]* As the House will recall, at the previous election and the election before that a substantial number—in the 1983 election, a majority—of trade union members voted Conservative rather than for the parties represented by Opposition Members. In those circumstances, Opposition Members have to be cautious in making the assumption that the Government are anti-union.

Far be it from me to remind the hon. Member for Glasgow, Cathcart (Mr. Maxton) that, like him, I am a member of what was the Association of Scientific, Technical and Managerial Staffs and is now Manufacturing, Science, Finance. I suspect that I have done as much work in my union activities as he has. I also suspect that that work has been more effective, as I am in government and he is not. To that extent, I am not unfamiliar with or unsupportive of trade union activities. The hon. Gentleman will know that, as we discussed the matter in Committee.

The experience of the past, as represented by the difficulties experienced by Sir Charles Villiers and others, with worker directors was that the divisions caused within the trade union movement and with the worker directors was such that they did not want to continue to do the job with which they were faced. I can do no better than repeat what I said in Committee:

"directors have Companies Act responsibilities, as well as moral and industrial responsibilities for their employees' quality of life—for example, concerning pension funds, industrial relations and so on".—*[Official Report, Standing Committee D,* 28 April 1988; c. 819-20.]

The hon. Gentleman will know that Jack Eccles, who is on the board now, does a remarkable job. He does so because of his experience, knowledge and understanding and not simply because he is a trade unionist, albeit a distinguished one.

It is worth recording that the Government and, more especially in this context, the company recognise the important contribution that has been made by the trade unions in the British steel industry over the years, particularly through the trying and difficult times that it has experienced in recent years. They respect trade unions and understand their requirement to represent their members' interests. They wish that to continue after privatisation. I have no reason to suppose that the excellent relationships between the chairman and the various trade unions representatives as well as other members within the company will not continue to be as good as they were in the past.

The directors of the successor company will be appointed by the company in conformity with the provisions of the Companies Act. The Secretary of State will have a role in that process to the extent that he is a shareholder. As I have said, such matters are governed by the Companies Act and it is not our intention that the Secretary of State should have any additional powers of the sort proposed by the amendment. The successor company should not be subject to any more statutory intervention than other Companies Act companies. It will appoint directors on their merits and it would be inappropriate to provide for statutory intervention by the Secretary of State.

Mr. Maxton: As the Minister said, the Secretary of State will be the only shareholder in the company when it is first set up. Does he intend to appoint two trade union representatives to the board at that stage? If the Minister was prepared to say that, it might make some difference to our vote.

Mr. Atkins: The Secretary of State may or may not appoint various people, but he will appoint individuals on their merits, and not because they are trade unionists or anything else.

Mr. Bryan Gould (Dagenham): It is relevant.

Mr. Atkins: Of course it is relevant; the hon. Gentleman makes the point that he made in Committee. Of course trade unions have a part to play. I speak as a trade unionist myself, and I understand the contribution that trade unions have to make. However, as my hon. Friend the

[Mr. Atkins]

Member for Darlington (Mr. Fallon) put it so eloquently, we do not believe in tokenism, because we believe that the time for that has passed.

The issue of worker directors was discussed at considerable length in Committee, and we had a particularly interesting debate on it. We concluded that there was a philosophical divide. I emphasise that, at least on my part—and I suspect on that of my hon. Friends who served on the Committee—there was no anti-trade union bias. There was simply a difference of attitude. Conservative Members believe that management should manage and trade unions should represent the interests of the employees.

Mr. Gould: As the Minister said, we had an interesting debate in Committee. On that occasion, he appeared to take the view that the fact that a person represented the work force disqualified him from having the objectivity that might be required of a director. Is that still his view?

Mr. Atkins: As I recall, I said that all directors had a Companies Act responsibility for everything that went on in the company, which includes matters related to employees. If a group of people were elected or selected —whatever phrase we use—directors to represent a particular interest, that would, by definition, conflict with their Companies Act responsibility, which is to represent interests wider than those of a specific group. That is why it is vital that directors should be selected on their merits rather than specifically to represent a particular group of people.

Mr. Maxton: I find that slightly surprising. Is the Minister saying that, if one of the banks finishes up with a major shareholding in one of the companies, that bank will not insist on having a nominee on the board to represent its own interests rather than those of the whole company?

Mr. Atkins: Not necessarily. I do not see how the hon. Gentleman's question conflicts with my last point. I emphasised that we select on merit. I have already said that someone like Jack Eccles—*[Interruption.]* That does not destroy the point. Hon. Members must not make sedentary interventions that disprove their own point. I have emphasised that Jack Eccles, with his experience and expertise, has contributed greatly to the affairs of the board and the company. He was selected on merit and I hope that that policy will continue, rather than the tokenism that Opposition Members persist in advocating merely because they believe that they are the only people who represent the trade union movement, which is clearly not the case.

Mr. Morley: Part of the problem in the past was that on occasions worker directors were used to apologise for hostile company action threatening the work force. However, the amendment could be used to take a new and imaginative direction in industrial relations. For example, in the share offer the total equity given to the work force could be 25 per cent. The Government could hold a 50 per cent. golden share and 25 per cent. could be sold on the open market. The work force would then have a direct involvement and we could have radical and progressive attitudes to industrial democracy rather than what is in the Bill.

Mr. Atkins: I do not agree that the approach is new and imaginative. As I said, I think that it is a very old-fashioned approach, which has been tried in part and did not work. Our belief in employee participation is based largely on the fact that we believe that employees should be owners of their companies in the sense of being shareholders. Many trade unions have already suggested that they believe that they can exert pressure on the direction of the company—guiding the board of directors —by virtue of having a portion of the shares to give them the right to influence events and as shareholders. That is what we would prefer.

I emphasise yet again that it is a mistake for Opposition Members to think that the amendment would protect the interests of trade union representatives and employees. We believe that argument to be fundamentally flawed.

Mr. Morley: The Minister may have missed what I said. Although the share issue has already been announced, the percentage has not been announced. I suggested that the amendment could be linked to giving 25 per cent. of the total share issue to the work force, which force would then have not only a direct involvement through the share issue but a more meaningful involvement through the worker director arrangements.

Mr. Atkins: Employees will have the chance to buy shares under what will be one of the more generous schemes in the privatisation process with which the Government have been associated. I can speak only from personal experience. I have a semi-industrial constituency and I know people in companies such as Leyland, British Aerospace and others who are actively involved in the day-to-day running of large concerns. The view of my constituents—except those whose politics are extreme in either direction—is, broadly speaking, that management is there to manage and trade unions are there to represent employees' interests. That view is also held by many trade unionists.

Communication is the most important aspect of the day-to-day running of a company. Much of the criticism arises not because employees want someone on the board to represent their interests but because they would prefer to know what is going on on a more regular basis so that they can participate through their negotiating procedures and through the structure of the trade union as it is involved in pay bargaining, conditions of employment and so on. Employees would prefer not to be involved as directors in the day-to-day management of the company.

There was a philosophical divide on that between Conservative and Labour Members in Committee. I urge the hon. Member for Glanford and Scunthorpe (Mr. Morley) to read the relevant debate. While he is clearly more likely to agree with his hon. Friends, I think that he will find the debate interesting. I return to the point that I have been making all along. The directors are there to look after the interests of all those involved in the company. The Government are not hostile to trade unions, because we believe strongly that they have the right to exist, to negotiate and carry out their day-to-day activities on behalf of their members. However, we believe that tokenism as represented by the amendment is an old-fashioned process rather than a modern one.

Mr. Gould: The Minister is being characteristically generous in giving way. It is important that we should get on record the essential divide between us. As I understand

it, the Minister is saying that whoever the shareholders are and however temporary and short-lived their interests, they are entitled to have those interests represented and protected on the board and therefore to have control over the direction of the enterprise. The work force, whose members are so much more closely involved, as their lives and livelihoods depend on the enterprise, are apparently disqualified by that fact alone from representation and from having their interests protected. Is that what the Minister is saying?

Mr. Atkins: We share the desire to ensure that employees are represented in the day-to-day running of the company. However, it is a legal requirement of the Companies Act that a director should have at the centre of his decisions and concern the interests of all those in the company, whatever their involvement. We do not believe that worker directors are necessary, and such arrangements have failed in the past. In those circumstances—as I have tried to indicate on a personal basis if no other—my understanding and experience suggest that most people involved in a company's day-to-day activities prefer to get on with the job in hand. They want to know what the company is about and to understand through communication and a variety of other ways where the company is heading and to know of its successes and problems.

They also want to know what the future holds and how they may best improve their work processes, and so on. However, they do not want to be involved at board level. If the hon. Gentleman asked many people working in industry, he would find that such a view is generally held. Perhaps it is not held by trade union activists, who may wish to become members of the board and are probably prejudiced.

4.30 pm

Mr. William Powell (Corby): It has been suggested to my hon. Friend that shareholders may have only a short-term interest in the company whereas an employee is likely to have a long-term interest. Will he confirm that a shareholder is just as likely to have a long-term interest as an employee, and that an employee is just as likely to have a short-term interest in the company as a shareholder?

Mr. Atkins: My hon. Friend, who is an authority on these matters, speaks with considerable truthfulness. He represents a steel constituency, and he understands the work force at Corby, albeit residual, better than most. He is in a position to speak knowledgeably. Many trade union pension funds are involved, on a day-to-day basis, in share ownership. Opposition Members may themselves be shareholders in that way.

We have explored this issue at great length. Opposition Members have tried to suggest that the Government are opposed to trade unions and are not prepared to accept the amendment because we want to do trade unions down yet again. I have demonstrated, at least to the satisfaction of my hon. Friends, that such is not the case.

Mr. Gould: What there are of them.

Mr. Atkins: It is an indication that they are unconcerned by the threat which the hon. Gentleman purports to present, as would seem to be the case among Opposition Members, given the paucity of numbers on the hon. Gentleman's own Benches during the passage of what is, by the Opposition's own standards, a highly controversial Bill. This matter was explored at length in Committee, in a debate which was worth hearing and reading. I reject the essence of what is being proposed in the amendment and urge my hon. Friends to do so.

Mr. Maxton: I am not surprised at the Minister's reply. I commented at the end of my opening remarks that I live ever in hope and that I am one of nature's born optimists —or so my wife is always telling me. However, obviously, I was wrong. It was inevitable that the Government would make their argument about token trade unionists. If we are to speak of tokenism, the Minister is clearly the Government's own token trade unionist on the Front Bench—there are not many others. As to his membership of ASTMS, now the MSF, to which we both belong, it actively campaigned to have me elected to the House, but I am not sure that it did the same for the Minister. I am rather convinced that it did the opposite.

Mr. Atkins: The hon. Gentleman should be careful in suggesting that I am a token trade unionist. If he examines any of the records of Members' interests, he will discover that many Government Members are trade unionists. More important, an even greater number of Government Members were elected by the majority of trade unionists in their constituencies voting Conservative.

Mr. Bob Cryer (Bradford, South): Most of them are directors who are lining their pockets as fast as they can.

Mr. Maxton: I shall not respond to my hon. Friend's sedentary intervention, but I shall sit down if he wishes to speak.

Perhaps those on the Government Front Bench would like to declare their trade union membership—except for the hon. Member for South Ribble (Mr. Atkins). They might be rather pushed to do so—I do not imagine that Lloyd's is a trade union.

The Minister made a smooth reply—I believe that one of my hon. Friends called it a smarmy reply—and made great play of his trade union membership and of the Government's belief in trade unionism and he spoke of the Government's wish to see active unions getting on with the job, yet they accuse us all the time of tokenism. We cannot win this argument. In Committee, we tabled a strong new clause suggesting that one fifth of the board should comprise trade union members appointed by the unions. We were then accused of extremism and of going over the top. When we make a more modest proposal, we are accused by the hon. Member for Darlington (Mr. Fallon) of backing off from our commitment to worker participation.

We accept that the Tory party is the Government and that we have to work within their bounds, however much we may dislike them. That is why we made a reasonably modest proposal for trade union participation. Our commitment to involving the work force in company decisions is not token. It is not tokenism to have as members of a board people representing the trade union movement. Far from that being a backward step, it is a step forward. The backward step is that being taken by the Government in suggesting privatisation in the first place. It is the Government who are attempting to return industrial relations and the ownership of companies to the conventions operated in the 19th century, let alone the 1960s or 1970s.

[Mr. Maxton]

It is astonishing that any Conservative Member should say that he supports unions and that the Government have not spent the past seven years attempting to destroy the trade union movement, when that is the Government's aim. The trade union movement is, quite rightly, linked to my own party. The Prime Minister has said that it is one of her prime objectives to destroy Socialism. In my view, that can only be achieved by destroying trade unions as well.

In replying to the amendment, the Minister raised a number of interesting points. It is clear now that, once the Bill is enacted and the new Companies is established under the Companies Acts, there will be only one shareholder, the Secretary of State. Speaking in terms of the present Government, it will be the Chancellor of the Duchy of Lancaster who will be that single shareholder. It will be he who appoints the board of directors. Our view is that at least two of the directors, the Chancellor of the Duchy of Lancaster having discussed this matter with the steel unions, ought to represent the industry's workers and all the employees—not just those who work on the shop floor.

The Minister has stated that he will appoint to the board people with appropriate qualifications. We have a right to know—and have not been told this at any stage—what qualifications will be required, who the Minister has in mind, and from what source those directors will be drawn. I presume that British Steel's present chairman, Sir Robert Scholey, and Jake Stewart may be among them, but who else?

Mr. Atkins: Wait and see.

Mr. Maxton: That is the trouble. That was the Minister's answer to almost every question put to him throughout the whole of the Committee stage. This is an enabling Bill designed to give the Government carte blanche to do whatever they damn well like with the steel industry once it has been privatised. That is what is wrong with the Bill. We do not know who will be on the board of directors that is to run the country's steel industry.

What will happen when the flotation takes place? Will the new shareholders necessarily accept the board of directors appointed by the Secretary of State? Perhaps, although I consider it very unlikely. The employee shareholding will be such that the employee shareholders will say, "Hey, we are not accepting this board of directors. You can get rid of him, or her, for a start. We want our director in his place." What would be the Secretary of State's answer to that? Will a new board of directors be appointed immediately after flotation?

I am afraid that the Minister is wrong. It seems highly likely that one of the big institutional investors will gain a large shareholding, as I do not believe that the average punter will buy many shares. If the company is to be sold at all, it will be sold to the big investment companies and share institutions, because that is the nature of the industry. If Barclays bank, the Bank of Scotland, the Royal Bank of Scotland or an insurance company obtains a large bulk of shares, it will probably insist that one of the directors represents it on the board, which is normal, standard practice in business. That person is there not to represent the whole company and look after its interests, but to represent that particular institution and ensure that its shareholding is looked after. He is interested in one of two things: either a high return in profits, or boosting the share price so that he can sell at a good price and get out of the company altogether.

Mr. Atkins: Why do the hon. Gentleman and many of his hon. Friends think that profit is a dirty word? Profit, after all, is the lubricant that makes the company expand, which is to the benefit of all those working in it—particularly the employees.

Mr. Maxton: We do not believe that profit is a dirty word. We do, however, believe that profit generated by an industry should be used properly for the benefit of both the industry and the employees within it. That is not the track record of free-market capitalism, either in the past or in the present. We cannot guarantee that the unbridled profit motive will allow proper attention to be paid to the interests of employees, or the community in which industries are based. The company is interested primarily in making a profit for the shareholders. That is the law as it stands, and the Government have reinforced it continually. The shareholder is the company, and the interests of the shareholder—the profit of the shareholder—are inevitably the major concern of a company once it moves into private hands.

Dr. John Reid (Motherwell, North): I have always understood, with my lack of economic knowledge, that in general terms profit is a return to an investor on a capital investment. Given that the thousands of millions of pounds invested over the past 10 years have been invested by the taxpayer, will my hon. Friend ask the Minister when the profit will be returned to them over the next five years, now that British Steel is in a healthy condition?

Mr. Maxton: We asked that question time and again in Committee, and the Minister never gave us an answer. He may yet have an opportunity during the evening, or perhaps the Chancellor of the Duchy of Lancaster, as he was not on the Committee, may take the opportunity to answer it on Third Reading.

However modest this proposal, I consider that it is realistic and would serve the interests of the work force. It is not tokenism, but a genuine attempt to ensure proper communications between work force and management, in which we believe. It is not we who believe in the "them and us" view of our industries; it is the Government, who have reinforced that attitude and made it worse over the past eight years. We believe in genuine co-operation, and good management in this country knows that such co-operation is the best way of achieving higher productivity. It is a great pity that the Government do not believe in it as well.

I ask my hon. Friends to support the amendment.

Question put, That the amendment be made:—

The House divided: Ayes 192, Noes 244.

Division No. 310] **[4.44 pm**

AYES

Abbott, Ms Diane	Bell, Stuart
Allen, Graham	Benn, Rt Hon Tony
Anderson, Donald	Blair, Tony
Archer, Rt Hon Peter	Boateng, Paul
Armstrong, Hilary	Boyes, Roland
Ashley, Rt Hon Jack	Bradley, Keith
Banks, Tony *(Newham NW)*	Bray, Dr Jeremy
Barnes, Harry *(Derbyshire NE)*	Brown, Gordon *(D'mline E)*
Barron, Kevin	Brown, Nicholas *(Newcastle E)*
Battle, John	Bruce, Malcolm *(Gordon)*
Beckett, Margaret	Buchan, Norman
Beith, A. J.	Buckley, George J.

Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Carlile, Alex *(Mont'g)*
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clwyd, Mrs Ann
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Dunwoody, Hon Mrs Gwyneth
Eadie, Alexander
Eastham, Ken
Ewing, Harry *(Falkirk E)*
Ewing, Mrs Margaret *(Moray)*
Fatchett, Derek
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Golding, Mrs Llin
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Ilsley, Eric
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Livsey, Richard
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McTaggart, Bob
Madden, Max
Mahon, Mrs Alice
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pike, Peter L.
Powell, Ray *(Ogmore)*
Primarolo, Dawn
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Rooker, Jeff
Ruddock, Joan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Steinberg, Gerry
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Vaz, Keith
Wall, Pat
Wallace, James
Walley, Joan
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Allen Adams and
Mr. Adam Ingram.

NOES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Atkins, Robert
Atkinson, David
Baker, Nicholas *(Dorset N)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Brittan, Rt Hon Leon
Brown, Michael *(Brigg & Cl'ts)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Burns, Simon
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carrington, Matthew
Carttiss, Michael
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Couchman, James
Cran, James
Currie, Mrs Edwina
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Durant, Tony
Dykes, Hugh
Evennett, David
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Neil *(Tatton)*
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
Killedder, James
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lilley, Peter
Lloyd, Peter *(Fareham)*

Lord, Michael
McCrindle, Robert
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Meyer, Sir Anthony
Mills, Iain
Mitchell, Andrew *(Gedling)*
Moate, Roger
Monro, Sir Hector
Moore, Rt Hon John
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, Chris *(Bath)*
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Sackville, Hon Tom
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Richard *(Aldridge)*
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Summerson, Hugo
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thorne, Neil
Thornton, Malcolm
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Trippier, David
Waddington, Rt Hon David
Wakeham, Rt Hon John
Walker, Bill *(T'side North)*
Walters, Dennis
Warren, Kenneth
Watts, John
Wheeler, John
Widdecombe, Ann
Wilkinson, John
Wiltshire, David
Wood, Timothy

Tellers for the Noes:
Mr. Richard Ryder and
Mr. Kenneth Carlisle.

Question accordingly negatived.

Clause 2

Reduction and subsequent extinguishment of Corporation's public dividend capital

Mr. Gould: I beg to move amendment No. 24, in page 2, line 16, leave out from 'by' to end of line 19 and insert 'an amount equal to the accumulated historical cost losses on vesting day, thereby extinguishing those losses.'.

Mr. Deputy Speaker (Sir Paul Dean): With this it will be convenient to take the following amendments: No. 3, in page 2, line 16, after 'amount', insert 'not exceeding 10 per cent. of the total'.

No. 25, in page 2, line 38, at end add—

'(5) The Secretary of State shall direct that a public investment reserve be created of an amount equal to the reduction of public dividend capital under subsection (1) above which—

(a) so long as it exists, ranks for dividends on the same basis as an equivalent nominal amount of share capital in the successor company which is held by the Secretary of State; and

(b) may be extinguished at any time by payment by the successor company to the Secretary of State of the then current market value of the equivalent nominal value of the share capital so extinguished'.

No. 6, in page 5, line 6, leave out '("the statutory reserve")' and insert 'which shall be known as the British Steel Investment Reserve and used exclusively for the purposes of investment in new plant and training.'.

No. 7, in page 5, line 7, leave out subsections (2) to (4).

No. 26, in page 5, line 7, leave out from 'reserve' to end of line 23 and insert 'shall rank for dividends on the same basis as an equivalent nominal amount of share capital in the successor company which is held by the Secretary of State.

(2a) The statutory reserve may be extinguished at any time by payment by the successor company to the Secretary of State of the then current market value of the equivalent nominal value of the share capital so extinguished'.

No. 28, in page 5, line 14, leave out from 'applied' to end of line 16 and insert 'to investment in plant or capacity or to sustain plants threatened with closure.'.

Mr. Gould: The amendments bear upon clauses 2, 3 and 7 which are, in many respects, at the heart of the Bill. The Bill is, of course, principally concerned with the capital restructuring of the British Steel Corporation so that it can be prepared for privatisation and its assets and liabilities vested in the successor company in such a way as to comply with companies legislation.

A way must be found of taking over a corporation that has accumulated considerable losses and has, accordingly, drawn substantially on taxpayers' financial support. That is essentially the problem faced by the Government, and it causes us great concern. We must find a way of taking account of that and of writing off a good deal of the indebtedness and losses so that the assets and liabilities can be put in a proper form to comply with company legislation.

However, the Government appear to be trying to draw a line at the point where the corporation ceased to make losses and moved into profit and to provide that, until that point, those losses were the taxpayers' responsibility, but that after that point, any profits should be available to the new private owners. We are concerned about that aspect and wish to quiz Ministers about it.

We are assured that none of this involves any subsidy of any sort. One understands exactly why that firm protestation should be made. Apart from any anxiety that might arise on this side, it would undoubtedly create slight difficulties with the EEC Commission if there were thought to be any element of subsidy. We are also told that there is no gift to the new private owners and no loss to the taxpayers. Ministers have made this clear on several occasions. Whenever these issues were debated in Committee, they have given us exactly those assurances.

5 pm

The Government have gone further than that in the valuable and welcome notes on clauses. In respect of clause 2, for example, the notes say that this is "solely an accounting transaction". Another passage states that there is "no forgiveness of debt or other liabilities."

The guidance notes on clause 7 say:

"The provision does not have the effect of giving money to the successor company."

In picking out these remarks in the guidance notes, I do not mean to be churlish. They are extremely welcome and

valuable, and we are grateful to the Government for providing them. I hope that nothing I say will deter their production in future. But are these statements to be taken exactly at face value?

It is not surprising that some sensitivity on this issue is displayed by the fact that these notes specifically took up these points and tried to give assurances. It is worth trying to unravel exactly what has happened to the financial structure of the British Steel Corporation and what the Bill proposes to do to change it. For reasons that are well understood, BSC traded at a loss over a long period. I would argue that this was for reasons that were at least primarily the responsibility of mistaken economic policies, not least to do with the exchange rate introduced by the Government in the early 1980s. Taxpayers were required, for good reason, to stump up a good deal of money to keep this vital British industry afloat.

It was decided by the Government that the provision of that financial support should not take the form of an ordinary loan or some other form of repayable capital sum on which dividends or interest should be paid, but should be public dividend capital. In principle, even that public dividend capital, as its title suggests, should have produced a dividend for taxpayers. But as we established in Committee, except for an early period, in practical terms no dividend or other payment has ever been made to taxpayers.

Perhaps the Minister would confirm that the public dividend capital totals more than £4 billion. It is worth adverting to a point that I raised on a couple of occasions in Committee, but which the Minister failed to answer. It is that no payment of any sort and no interest or dividend has been paid on that public dividend capital. That has strongly influenced the corporation's profitability over that period and today. When considering the future profitability of the corporation we must take into account the fact that the cost-free public dividend capital will not be available to the private owners.

Does the Minister agree that the benefit to the corporation and the disadvantage to the future operation of the successor company could be quantified? It should be possible to make a calculation according to the then prevailing commercial interest rates—let us set aside the question of dividends and assume that the money was made available on ordinary commercial terms—of how much that dividend capital was worth year by year to the corporation, and its impact on the much touted level of profitability, on the basis of which the industry is now being offered for sale.

We well understand that the level of profitability is the key to the price that the Government think they can achieve on the market. Clearly, they are basing their calculations on a projected level of profitability of about £400 million per annum. If that figure is to be written down to take account of the cost of the capital—the borrowing—which has not been taken into account, that will substantially affect what the Government could expect to receive in the market place. I hope that today the Minister can enlighten us on what that figure might represent, because it tells us a great deal about the price which might be expected.

It is the taxpayers' misfortune that the Government decided that taxpayers should make that £4 billion contribution not in the guise of the ordinary creditor who could expect to be repaid—not only the capital sum but some return on the loan—but as public dividend capital. Because of that, the taxpayer finds himself in a similar position to that of the equity holder. That is the closest analogy that I can draw. It is on that basis that the Government have treated public dividend capital when they have tried to subsume the corporation within the ordinary private sector company.

Under clause 2, about half the sum that taxpayers have paid—we are simply assuming a sum of £4 billion and I hope that the Minister can confirm its general accuracy—is simply to be written off to cover the accumulated losses that have been chalked up. As the guidance notes make clear, that is essential, if the corporation is to be privatised, to meet the Companies Acts requirement that a company cannot be floated if the assets do not match or exceed its capital and undistributable reserve. That may be a good argument from the Government's viewpoint. It would be impossible to privatise the corporation if the write-off did not take place. But that is not of much comfort to taxpayers, half of whose money is written off, and it begs the question whether privatisation is a necessary and desirable step.

The Minister will then say, "Don't get too agitated about this because this is a perfectly normal transaction. It is purely an accounting procedure which a private company can do and it is specifically provided for in section 135 of the Companies Acts." But there are various safeguards for a private sector company operating under section 135. This must be provided for in the articles of association, and there must be a special resolution, and authorisation by the courts. The reason for all those safeguards is that the write-off, at least potentially, prejudices the interests of several people, not least the potential creditors of the company.

Other than introducing this legislation and refusing to go into any detail of by way of explanation, have the Government taken any steps which would be equivalent to the formal and substantial steps which a private sector company would have to take to satisfy a court that this was a proper procedure? What consultations have been held, for example, with potential creditors? Because taxpayers are not technically in the position of creditors, they have the misfortune of not being regarded as creditors. They could well have been so regarded. They find that £2 billion of investment loan has simply disappeared. We want the Minister to answer those questions.

The next step in the proceedings outlined in the Bill is that the remaining public dividend capital, having been reduced by about half, is extinguished. Any liability to the Secretary of State is extinguished. Under clause 3, part of it is converted into securities, which are then offered for sale. Under clause 7, the balance passes to a statutory reserve. The guidance notes are again helpful on the meaning of the procedure. They point out that the statutory reserve provided for by clause 7 is meant to act as a substitute for what, in the case of a private sector company, would be a share premium account. As there is unlikely to be any share premium, the statutory reserve is provided to fulfil that role.

The difficulty for the Government is that the Companies Acts treat the share premium account in a special way—as being available only for certain purposes. That is right, and one understands why that should be so. The money in the share premium account is limited to particular purposes, such as the writing off of unrealised losses. Will the Minister estimate to what extent the money

[Mr. Gould]

which will pass to the statutory reserve will be devoted to that purpose? Will he also estimate what proportion of the extinguished public dividend capital will end up in the statutory reserve? It is difficult to debate the issues without indications from Ministers as to what figures should be put to the various categories into which the public dividend capital will fall.

Let us go back to the equivalent of the share premium account. If the ordinary company rules were to apply to the share premium account, and if in essence it were regarded as undistributable, this would not meet the Government's book. As we know, the Government are anxious to present the books and the balance sheet of the corporation, and therefore of the successor company, in the most favourable light so as to emphasise the potential profitability of the successor company.

If the money were to be tied up in a statutory reserve and were not distributable, it would dampen the ardour, one assumes, of those who might want to get their hands on it. Therefore, it is provided by clause 7(2)(b)—this is the provision which the Minister has to defend—that the Secretary of State may direct that some part of the statutory reserves

"may be applied as if it were profits available for distribution".

I am by no means an expert but, as far as I am aware, the Secretary of State is thereby taking a power which is not available in similar circumstances in a private sector company. Therefore, the argument that this is merely a technical adjustment or an accounting procedure which is exactly equivalent to that of a private sector company falls down at this point.

I do not believe the Government claim that this is normal procedure. They claim that it represents the past profitability of the corporation and argue that if it had been a private company, it could have passed those profits to a reserve which would have been distributable. This merely makes our case that the Government are intent on drawing a line at the point at which the corporation became profitable and that their real purpose is to ensure that the losses are the responsibility of the public sector owner but the profits, as soon as they arise, will be money on which future private owners can get their hands. That is the essence of what the Government propose.

Under clause 7(3), the power of the Secretary of State to make the direction is limited to the period in which the ownership of the successor company remains in the hands of the Crown. It is clear that the provision would not be in the Bill if the Secretary of State did not intend to make such a direction. I want the Minister to confirm that any direction that is thereby made will have consequences for the successor company. The disposition of capital into securities on the one hand and into the statutory reserve on the other, and the direction as to what part of the statutory reserve will be distributed, will be decided before the successor company is floated. Will the Minister confirm that that position will be inherited by the new private owners of the successor company, and that any sums which are declared to be distributable by a direction of the Secretary of State will remain distributable in the hands of the private owners?

If that is so, notwithstanding all the technical arguments, we have a magical process by which a substantial sum of taxpayers' money, totalling over £4 billion, which stands as a debt owed by the corporation to the taxpayer, is converted, at least in part, into profits available to private owners. That is a remarkable procedure whereby debt owed to one group of people is transformed by the stroke of a pen into profits available to another group. It must be a wonderful feeling for people to have the law operating so benevolently and for them to be able to say that there is nothing unusual about it and that it just happens to enable them to get their hands on hundreds of millions of profit. Will the Minister confirm that that is the general effect of what is proposed in the Bill?

5.15 pm

There is a further objection to what is proposed. Not only does it do the taxpayer down and provide, in a sense, false profitability as a bait to private owners, but it is a reversion to the bad old days of private ownership in the steel industry when dividends were paid not out of trading profits but out of capital, and time after time the private owners bled the industry dry, ate the seed corn and paid dividends out of money which was desperately needed for reinvestment.

The Government are laying down the guidelines whereby that process is to be renewed even before private ownership takes effect. Once again we see private ownership in the steel industry being encouraged to take its profits and dividends out of money that has been accumulated as capital and ought to be used for investment. We understand why the Government have been compelled to do this. The unseemly haste with which they tabled the legislation, for reasons which have yet to be properly explained, means that the Government have had to bring the industry to the market without a proper track record of profits. That is why they have had to make the peculiar arrangement whereby there is a built-in substitute for profitability. That substitute is the ability to lay hands on capital which was provided in the past by the taxpayer.

That is unsatisfactory and an unfortunate indicator of the future of the industry under private ownership. Ministers can confirm that the industry requires substantial investment for the foreseeable future if it is to maintain its competitiveness. The best estimate of the required investment is about £300 million per annum. That investment will be required year in, year out, in good times and in bad, in an industry which is essentially cyclical, for all the reasons which we debated at length in Committee.

If the Government are already not only permitting but encouraging private owners to pay themselves dividends out of capital, we can have little confidence that there is any long-term intention on the part of Government or of the new private owners to make the essential investment. Not only is the financial and capital restructuring a fraud on the taxpayer and a hidden gift to the new private owners, but we fear that it points the way to an uncertain future for the industry. That is why we have tabled amendments to clauses 2 and 7, which are designed at least in part to try to curb the excesses that the Government intend to permit.

Our amendments will introduce a greater rigour in the degree to which capital can be written down. As provided by clause 2(1), there is less discretion for the amount by which the public dividend capital can be reduced. We have provided by our amendments Nos. 24 and 3 limits which will at least impose some discipline on the extent to which that writing down will take place. In the case of

amendment No. 24, they are limits which will, at least in part, enable the Government, even within the context of privatisation—which we oppose—to meet the requirements of the Companies Acts.

We have a second group of amendments which will retain for the taxpayer some interest in the future profits of the steel industry, if any profits are made, and some possibility of being repaid for the very substantial investment that the taxpayer has made. That is the purpose of amendments Nos. 25 and 26.

The next group of amendments ensures that the capital which passes to the statutory reserve is retained, not to pay dividends from day one to private owners who have not done anything to earn them, but for investment in essential plant and equipment, which are important to the industry's future. That is the purpose of amendments Nos. 6, 7 and 28.

I hope that the Minister will take these amendments seriously and will answer my questions in detail. Further, I hope that he will satisfy us that our fears about the irresponsibility of the Government in these matters are misplaced. I doubt that he can do that, but we shall listen with interest to what he has to say.

In conclusion, our objections are to that essential "short-termism" which characterises all that the Government do for our industrial future. First, it is the Government who take a short-term view. They are so concerned to get shot of an industry at the best possible price that they are prepared to jeopardise its future by the way in which they restructure its capital. By giving this open invitation to the new private owners to rip off what remains of the taxpayer-provided capital, the Government are selling the industry in circumstances which are the least favourable to its proper and secure future.

Secondly, there is the "short-termism" that we have seen before from the private owners in the steel industry and elsewhere. That is the "short-termism" which is now made possible, and indeed encouraged, by the Bill, and will encourage private owners to pay themselves dividends before they consider the investment that is needed to secure employment and output in the interests of the national economy. That is why we regard these amendments as important and the provisions of this bad Bill as unsatisfactory.

Mr. Cryer: I want to speak especially to amendments Nos. 28 and 6. Amendment No. 6 provides for the statutory reserve to be used exclusively for the purposes of investment in new plant and training. Amendment No. 28 says that money may be applied.

"to investment in plant or capacity or to sustain plants threatened with closure."

Those two items are essential, beccause we are talking about privatising an industry which since 1979 has lost 134,000 jobs. Privatisation will be carried out by this Government on the backs of 134,000 people who are walking the streets, having mainly been sacrificed on the altar of the Government's economic policy of selling off our assets at knockdown prices. Those assets have been provided by the taxpayer for unlimited distribution in the way that my hon. Friend the Member for Dagenham (Mr. Gould) described.

I want to draw attention to the problems of the steel industry and the way in which these two amendments will provide for training and the sustenance of plants threatened with closure. They are important because of the steel industry's failure to provide training payments. As the Minister may know, I am also a member of the Common Market assembly. Some people call it a parliament, but I never give it much credit. I prefer to use the more accurate description of consultative assembly. In that capacity, I have come across a number of cases where former members of the steel industry are being retrained through a less than adequate scheme. These two amendments will ensure that, however the steel industry develops, it will make provisions for retraining within its own revenue sources rather than relying on external ones. There is a retraining scheme that is designed to train redundant steel workers for new jobs elsewhere.

The Department of Trade and Industry likes to pretend that it is the sole arbiter of the iron and steel employee redundancy benefit scheme, which is called ISERBS for short. However, the truth is that it is not. The decision whether money shall be applied from the Common Market for retraining is not a decision of the Ministers, of the House, or of civil servants. It is a decision for a Commissioner. The Commissioner in this instance is Commissioner Marin.

Nine ex-employees of Eaton and Booth in Sheffield have been waiting for a decision from the commissioner for 12 months. I wrote to the commissioner and begged him to give a decision which was confidently anticipated by the Department of Trade and Industry. I received a reply from the commissioner on 28 March stating:

"The demand for readaptation aid under Art. 56 as a result of accelerated restructuring in both the coal and steel industries of the European Community had by the end of 1987 outstripped the available budget. Since the Council refused to make more funds available and bearing in mind the prospect of even lower budgetary resources in the future the Commission has been obliged to carry out a realignment of its strategy with respect to its readaptation commitments.

The complex process of realignment is being carried out as rapidly as possible and I will shortly be informing the UK government of the allocations to be made in respect of their outstanding readaptation requests."

The people who were the subject of those readaptation requests have been on retraining courses on the promise of readaptation payments being made. At the time of that letter they had been waiting for 10 months. They have now been on the course for over 12 months with the promise of finance. However, that finance is being held up by the commission.

The Minister, who is a Member for one of the Ribble Valley constituencies—he has moved about a bit since he was elected for Preston, so I cannot pinpoint him precisely.

Mr. Atkins: South Ribble.

Mr. Cryer: The Minister said to me in a letter of 11 May:

"I regret that the position has not changed since my letter of 30 April. My officials are still continuing to press the Commission for early decisions on the application for aid being held, but to date no progress has been made. As soon as the Commission do approve the applications for aid ISERB Scheme payments will be authorised."

He concludes with the assurance that the people mentioned in his letter will be paid first. So they should be.

Those amendments would help to deal with the position where civil servants and elected representatives have been entreating the Commission to make the payments, and where Ministers also, as I understand it, have been making representations to the Commission to make those payments, yet no payments have been made. That has gone on month after month. It enrages me because these

[Mr. Cryer]

people have been made redundant from the steel industry, and in good faith have attended courses, yet month after month their home economies are devastated. They have to borrow money to sustain their existence. Meanwhile, some overpaid bureaucrat in Brussels is withholding his decision and keeping these ordinary people in suspense and penury. That is not good enough.

I hope that the Minister can accept the amendments in the belief that it is necessary for the future that the Government have some insulation against the machinations of the Commission. I believe that that Commissioner is using those workers as pawns in the negotiations over the budget. That is a rotten and foul thing to do, but that is the conclusion that one reaches because of the implications of the Commissioner's letter to me.

5.30 pm

If the Minister cannot accept the amendments, I hope that he will say that, if the Commission will not pay, or continues to procrastinate as it has done for over 12 months, his Department will make the funds available to take those workers and their families—the innocent victims—out of the financial doldrums that they are in due to the machinations of that wastrel in the Common Market—Commissioner Marin. If the Minister has any sense, he will consider the amendments carefully because the industry needs better protection than it has obtained so far—both when in the private sector before nationalisation and under the protection that the Common Market is alleged to give it.

Time after time, Commissioners and, indeed, Ministers in this House, cosily claim that the Commission's ISERBS payments protect steel workers when there is readaptation and rationalisation. Those words hide the grim reality of managers making decisions which put people on the dole. It is not adequate simply to rely on the Commission to provide support, because its words mean nothing. The cases that I have mentioned apply not only to Sheffield, but to Rotherham and south Wales. Alpha Steels is a case in point.

The Minister should consider the amendments seriously so that in the future the Government have some right of independent action. The Minister is sitting at the Dispatch Box absolutely powerless. He is a pawn in the hands of the Commission. I regret that, because I would far rather be able to press the Minister for a decision, but at the moment he is powerless to give one. The amendments go some way towards redressing that terrible imbalance that the steel workers face.

Mr. Barry Jones: Like my hon. Friend the Member for Bradford, South (Mr. Cryer), I rise to speak in support of amendment No. 6. I have recently had the honour of giving fifth-year high school leavers their record of achievement. That is an enlarged report on the last years of their school life. In meeting those excellent and hopeful young men and women, I have been struck by the large number who have opted to join the armed services. In conversation, it has become clear that they are enlisting because they will then have the most thorough apprenticeship grounding. There is no doubt that there is a shortage of apprenticeships locally on Deeside, throughout Wales and, I suspect throughout the United Kingdom. That is partly the reason why those young men and women are seeking to join the armed forces on leaving school.

As the House knows, since 1979 the industrial training boards have, by and large, been swept away and apprenticeships have declined as unemployment has risen. That cannot be good for Britain's prospects for the 21st century. We should invest more and more in training and apprenticeships. The investment reserve that we propose in our amendments could help Britain's economic future.

Clause 7 is the financial heart of the Bill. It is the mechanism whereby the public dividend capital is done away with. In arguing for a British Steel investment reserve, we are urging the Government to recognise that steel is a strategic industry, which is vital for Britain's economic and military future. It is Britain's foundation industry. Without it, we have no reliable manufacturing base and an impaired defence capability.

I want to speak briefly to amendment No. 6 regarding the need to spend more money from our proposed investment reserve on improved and enlarged training. The background is that in the 1980s Britain has lost nearly 2 million manufacturing jobs. As my hon. Friend the Member for Bradford, South has said, steel has suffered greatly. We lost as an industry in the great jobs shake-out of the 1980s. At BSC Shotton in my constituency, we lost 8,000 jobs in just three months. We lost our steel-making capability.

The attention given to training and to providing apprenticeships declined, not unnaturally, during what was an industrial emergency. Before the major cuts in steel jobs and the large closure programme, virtually every British steelworks ran large, successful apprentice schools. That was certainly the case in my constituency. The standards of those apprentice schools were high and the places were much sought after. Any young man or young woman in receipt of such an apprenticeship knew that the world was his or her oyster if the course was completed. I want us to attempt to return to that position in at least some degree.

When parents visit my surgeries to seek help in placing their teenage children in work, they always mention apprenticeships. The apprentices' schools in our steelworks at Shotton had a high reputation and there was heavy demand for its many places. Today there is huge competition for apprenticeship places at a steelworks such as Shotton or the nearby Aerospace factory. Hundreds apply for the dozens or for fewer than dozens of places and many young people are disappointed. That is a blow to the morale of young school leavers and to their families.

I fear that, when a sustained upsurge in demand occurs in manufacturing generally, and in steel in particular—I hope that that upsurge is ahead—we shall be short of the required skills. Amendment No. 6 will help Britain's future. I do not want the steel industry to be caught short. I should like the British Steel investment reserve to be set up and its funds directed to training in particular.

In today's world economic climate—in a climate of collapse and speculation and black Mondays—an enlarged and skilled work force in steel will be a priceless asset. The BSC's management and labour have recently been spectacularly successful in productivity and manning. They should now have the reassurance of knowing that they can carry enlarged apprenticeship schools at individual plants. Each steel plant and its surrounding

travel-to-work area could then have at its disposal a reservoir of recently trained potential labour. That is what I should like to see in my own area of Deeside.

Quick profits and enlarged dividends can be the enemy of thorough high-class training. That is one of the dangers inherent in these privatisation proposals. Training is not only for school leavers. It can be for the existing work force also.

I should like the Secretary of State for Wales to set up an economic planning council in Wales, which would enable trade unions, employers and Government agencies to work together to establish a strategy for economic recovery. At the top of the agenda for such a council, I should like education and training to be writ large. Perhaps the British Steel investment reserve could play an important part in such a steel industry and in that industry's training opportunities. That is why I support this batch of amendments.

Dr. Reid: I take as my starting point the comment made by the Under-Secretary of State during the debate on the previous group of amendments. It seems that he is suffering from the misapprehension that Opposition Members always regard profit as a dirty word, even when it is applied to the steel industry. Profit, profitability and productivity are not dirty words to us. It is as well to make that clear at the outset.

Opposition Members are pleased that Britain has a healthy, profitable and productive steel industry. We draw strength from and take pride in the fact that in the first two months of 1988 Scotland produced 46,700 tonnes of usable steel, compared with only 32,700 tonnes in the first two months of 1987. We are pleased that the weekly national output in February was in excess of 388,000 tonnes, the highest that has been achieved by the industry in many years. We are pleased that that is not far short, when projected, of the 21·5 million tonnes for which we have argued for Britain. The average weekly output for February would amount to 19·75 million tonnes for the year.

Mr. Rhodri Morgan (Cardiff, West): In a leap year?

Dr. Reid: It would be slightly more in a leap year.

We are pleased that profits and productivity have risen in the British Steel Corporation, and we take this opportunity to express that pleasure and pay tribute to the management and workers who have made the achievement possible.

That leads me to the amendments. All the signs confirm that the taxpayers' sacrifice over many years has been worth while. The signs confirm that the faith of the taxpayers in the industry has been well and truly vindicated. As that faith has been shown and as those sacrifices have been made over so many years, and now that we have a profitable industry, surely this should be the time to repay the taxpayers and to reward their sacrifices.

What do we find instead of repayment and reward for the British people? We find contained in the Bill what my hon. Friend the Member for Dagenham (Mr. Gould) has described as a magic formula. My hon. Friend is a man of extensive vocabulary but moderate language. This afternoon he has pushed to the fullest extent both his vocabulary and his moderation in referring to the financial clauses as a magic formula.

In Motherwell we have a simpler word that is picked from a less extensive vocabulary. That word is swindle. The reality is that the sell-off of the corporation is the greatest con trick ever played on the British taxpayer. To paraphrase a cliché, never, even under this Government, have so many been swindled out of so much by so few with such little talent.

Ministers, who have crowed constantly of value for money for taxpayers, have been prepared to write off millions of pounds of taxpayers' money to float the corporation. The Government, who boast constantly of creating a share-owning democracy, have resolved to write down the taxpayers' public dividend capital to less than half its value to sell off the corporation to City institutions. Having written off the losses, the Government, who proclaim their aim to be a policy of fair taxation, will allow the already written-off losses to be offset against future profits in a tax bonanza for the new City shareholders of our steel industry.

5.45 pm

The privatisation of British Steel in its present form is a political scandal and a financial swindle. That is why the Opposition have tabled the amendments. The primary purpose of the amendments is the protection of those whom all of us in this House are supposed primarily to represent—the taxpayers. Secondly, they are aimed at the long-term protection of the steel industry, albeit in private hands.

The amendments tackle the financial heart of the Bill, which contains a mechanism whereby the public dividend capital, as outlined by my hon. Friend the Member for Dagenham and others—it has financed the corporation since the mid-1970s—is to be extinguished and replaced by a share issue which, together with the new statutory reserve, will have the equivalent value. The mechanism will allow the new company to pay out of the reserve. To be technically correct, the statutory reserve will act as the platform and the justification for the payment of dividends to shareholders in future.

The amendments seek in various ways to preserve the new company's capital and to divert the reserves for use as investment and to finance training and the refurbishment of old plants that will become necessary if recapitalisation and reinvestment is to be commensurate with the demands of a continuing and thriving steel industry.

The amendments seek to protect taxpayers by transferring to the new company some consideration of the financial support that they have provided for many years to the corporation. It is amazing how little interest exists in the Bill for taxpayers, especially when we think of the huge debt that British Steel owes them. We have become familiar since Second Reading and our debates in Committee with the Government's tendency to deny access to the flow of financial information to Committee members and to the public generally. This has been justified under the cloak of commercial confidentiality. For whatever reason, the flow of information on financial matters has, to say the least, been stemmed by the Government. The same can be said of the financial implications for the taxpayer and the write-off of debt.

We have been forced to look slightly further than the Government for academic support for our arguments. One of the best studies—it was referred to in Committee and it appears to have been ignored by the Government—is that which was undertaken by Bell, Findley and Oughton of the department of political economy of Glasgow university. The report states that British Steel's existing debt takes

[Dr. Reid]

two forms. The first form is public dividend capital, which has been defined as the aggregate of sums paid, or treated as paid, to the corporation under section 18 of the Iron and Steel Act 1982. This debt amounts to £3,980 million. The second form is the corporation's accumulated losses, which amounted by 1987—the last financial year—to £1,023 million.

The Government maintain that the capital restructuring under this Bill involves no writing off of debt. Once again, the old magic formula plucked from the extensive vocabulary of my hon. Friend the Member for Dagenham could be applied to the Government's position. The Government insist that there is no writing-off of debt, which may be true according to the letter of the law but which is certainly not true according to the spirit of any possible definition of the writing-off of debt.

We understand why the Government must be economic with the financial truth in these circumstances. We understand why they cannot admit to the House or to institutions outside it—perhaps on the other side of the Channel—that no debt has been written off. However, in economic terms and in the spirit of any reasonable definition of what constitutes the writing off of debt, large resources have been invested in British Steel throughout the 1970s and during the lifetime of the Government, and those resources are not to be returned to those who invested them in the first place.

This leads me to the point that the Minister made about profits. I said during discussion of the previous group of amendments that, unskilled as I am in economic theory, my simple understanding of profit was always that profits were the return to investors on the capital they had invested. We are now left with a generation of profits that will clearly not be returned to the people who made the investment in the first place—the great British public.

To disguise this sleight of hand, the Government argue that no debt will be written off under the Bill. But we contend, as we did on Second Reading and in Committee, that the massive subsidy given to the British Steel Corporation by taxpayers in recent years will not be repaid. Furthermore, we maintain that that subsidy may be written off by the Government's sleight of hand. They may pretend that it has disappeared through a hole in the floor of the stock exchange or of the House, but any ordinary non-skilled non-economist taxpayer will ask why, when profits have been generated after millions were invested, he is receiving no return from the now profitable corporation.

It would help those of my hon. Friends who are as unskilled as I and who cannot countenance discussing these matters with the Minister's advisers if we considered the economic base of the British Steel Corporation as consisting of four shares, each valued at £1 billion. The Bill gives the Government the right to transfer those shares into ordinary equities which can then be traded in the same way as those of any publicly quoted company. The difficulty would arise when the equities were sold and the Government were forced under the Companies Act to set the nominal value of the shares at the sale issue price of the time of flotation.

Let us suppose that the shares were valued by the market, as we have been led to believe they will be, at about £2 billion, which represents a price-earnings ratio of eight, which we believe would be necessary to attract investment from prospective shareholders who were unfamiliar with the industry. There would be a clear discrepancy between the value of the public dividend capital and the sale value of the company.

That would mean that the market value of the taxpayers' investment was expressed at half its worth. That is how the subsidy to the British Steel Corporation will come about—not through the technical writing-off of debt but through the halving of the capital asset paid back to the taxpayers.

This is not a bagatelle or mere financial trifle. We are dealing, if future projections are correct, with about £2 billion of taxpayers' money, which will be written off by this mechanism. It will not be a publicly declared writing-off; it will be a halving of the share capital invested in the company.

One further complication adds salt to the taxpayers' financial wounds. As has been said, the difference between the value of the public dividend capital and the sale value, which we expect to be about half of the public dividend capital, is to be put into what is called a statutory reserve. Subsequently, that statutory reserve could be used either to write off unrealised losses or to be distributed as profits, with the permission of the Treasury, to pay up unissued shares of the company. Not only is the public dividend of the company halved, therefore, but once halved, the half that mysteriously disappears is then used as the justification to pay out profits in future, not to the taxpayer who has invested and already lost, but to the new shareholders who have already purchased and reaped the benefits of the write-down in the dividend capital.

If someone with even the most extensive vocabulary could find a phrase other than "financial scandal" to describe this, I should be grateful to hear it. The company will be compensated; the taxpayer will not. That is the first reason why we tabled the amendments. The accumulated losses of the company have been met by the taxpayer but they still exist on the corporation's balance sheet. They are to be treated as a one-off reduction in the capital base of the company or as an equivalent reduction in the public dividend capital.

It is argued that the amount of capital shown on the balance sheet will more truly reflect the net assets of the company. Let us suppose that the value of that company is £2 billion and that the public dividend capital is reduced to £3 billion after the accumulated losses are deducted. That would leave £1 billion to be entered into the statutory reserve, which could be used subsequently to generate liquidity for the company or to justify the pay-out of profits.

This outline shows the need for the amendments. Such a scheme, in any other circumstances, would be regarded as nothing less than a rip-off of the taxpayer. Is it fair? Would it be fair under any circumstances? Would it be fair in this context? Would it be fair in the context of a political world that increasingly demands attention for the small investor? Why should we raise a hue and cry when some City slicker gets involved in a massive fraud, but refuse to raise one because the slicker happens to sit around the Cabinet table?

We have spent some time considering how this rip-off —let us give Cabinet Ministers the benefit of the doubt and say it is an unconscious rip-off—of the taxpayer will take place. Now it is worth reminding ourselves of the extent of the burden that the taxpayer has borne under this

Government since 1979. It is evident from all the figures available in the published material that until relatively recently the taxpayer has gone without dividends. The corporation has not paid one since 1975. The taxpayer has borne the heavy losses since the Conservatives came to office in 1979. Even allowing for the £400 million profit, about which we are all pleased and constantly told in the new advertisements that have appeared on television, which feature a shareholder working out in the morning and gloating over the prospect of increasing his BSC shares in the afternoon, there has been a loss to the taxpayer of almost £4.5 billion since 1979-80.

The Prime Minister constantly speaks about taxpayers, and the Chancellor directs his attention to them—yet on this occasion they are to be cast aside, willingly and knowingly, because that suits the Government's purpose of channelling money from BSC into City investors. Those who bore the brunt of the subsidy to the BSC during the downturn in the market and the brunt of rationalisation in the steel industry are to receive nothing.

We have always supported investment in the British steel industry on the precondition that, if taxpayers pay for investment, capitalisation and rationalisation, bear the brunt of redundancy payments and support losses during the lean years, when the fat years arrive they will receive some of the fat. That is the least that any reasonable Government should do. The Bill ensures that taxpayers will be cast aside just as the fat years are beginning to arrive.

The Government cannot abandon their responsibility. They must maintain a degree of fairness. They used to argue that taxpayers wanted rid of the responsibility of the steel industry, but it is noticeable that that argument is no longer employed. The argument apparently applies only when the taxpayers suffer a loss. Ministers claim until they are blue in the face that when the British steel industry was making a loss taxpayers wanted to lose the British Steel Corporation and get rid of the need to subsidise it. Nowadays no one believes a Minister who says that the British taxpayer wants rid of a healthy, profitable steel industry and does not want in any circumstances to receive some repayment for his investment.

6 pm

Taxpayers deserve something better in return for their commitment and investment. The British Steel Corporation would have gone bankrupt twice, once in the mid-70s and once in 1979-80, if it had not been for taxpayers' support at a time when the demand for steel in a notoriously cyclical industry fell by about 50 per cent. For years, taxpayers have subsidised the industry and will receive no return on their investment. Common sense, public interest, decency and fairness demand that they do. The purpose of the amendments is to rectify the Bill and they should be supported by any hon. Member who shares that feeling of common sense, public interest and fairness to the taxpayer.

Dr. Jeremy Bray (Motherwell, South): My hon. Friends have spoken about the massive giveaway in this privatisation. Such giveaways took place in previous privatisations and will take place in the biggest jumbo of them all—the privatisation of the electricity supply industry. It is a scandal of such outrageous proportions that it will go down in history as financial swindling by the Government of the British people and will for ever blight the name of the Conservative party.

The country's assets are being sold at knockdown prices and that will obviously create problems for future Governments. People have been given wealth—assets for which they have not paid the proper price. They have acquired taxable capacity and the only possible course for future Governments is to tax those people and take that wealth away from them. The Government are ensuring higher future levels of taxation, not only under Labour Governments but under Conservative Governments. Income tax will be higher and there will certainly be a wealth tax, because to create a reasonable balance, future Governments—even a Conservative Government—will have to make good the swindling that has taken place under this Government.

Another problem involves the viability of the financial structure that the Government are creating in the Bill for the British Steel Corporation. The treatment of past losses and the window dressing that has been carried out in recent years and which will continue to be carried out to prepare for privatisation have been well covered by my hon. Friends. How will the corporation survive with the financial structure that it is to be given?

One would normally look at current cost accounts in order to assess prospects. Page 43 of the BSC accounts contains the notes to the current cost accounts and, contrary to normal accounting practice, the assets are valued at historic cost. That means that, if plant built a long time ago cost £1 million at that time, it would cost £2 million or £3 million to build today because we have to allow for inflation. Assets are valued at current cost to make sure that the value of the business is being preserved and that future depreciation is directly provided for.

The figure of £1,928 million used for tangible fixed assets and recorded in the historic cost accounts is the same as that in the current accounts. Had the assets been revalued in accordance with proper accounting practice the figure would have been £3,294 million—higher by £1,366 million. Additional depreciation of £132 million a year should be charged on that in the current cost accounts. That means that, effectively, the current cost profits are being overstated by £132 million.

That was picked up by the auditors and used to qualify the accounts. On page 23, the auditors say that in their opinion the historic cost accounts give a true and fair view of the state of affairs of the corporation, and that the accounts have been prepared to comply with the requirements of the Iron and Steel Act 1982 and the directions of the Secretary of State. On pages 42 and 43, the auditors, speaking about the current cost accounts that give the present picture, merely record that the accounts have been properly prepared in accordance with the policies and methods described in the notes thereto. The accounts do not purport to be true and fair or to have been prepared by any accounting standards other than those described in the notes.

To justify that, the corporation says that its utilisation continues to be significantly below the installed capacity. That means that it has left out of the current cost valuation of its fixed assets items such as the big blast furnace at Llanwern, the unused BOS vessel capacity at Port Talbot and so on. Effectively, the BSC has been stashing away plant for future use, and that plant has not been fully reported in the accounts. That may be a smart thing to do

[Dr. Jeremy Bray]

and it may kid the investors when they read about the levels of recorded profits and apply the appropriate ratios. But the chickens will come home to roost in the long term when it becomes evident that the corporation has not been investing and will not in future invest adequately to maintain the value of its business.

The consequence of that will not be immediately evident. For some years, the continuation of such policies will enable the corporation to report artificially high profits. That will only store up trouble for the future when the corporation begins to be seen to have failed to invest at the levels required to maintain the value of the business, the security of employment of the steel workers and an adequate supply of steel for British industry. It is not a very smart move by the corporation or Ministers in the Department of Trade and Industry and it will be added to the other squalid moves by which the Government have applied their industrial and economic policies.

The Minister of State, Scottish Office (Mr. Ian Lang): We have had an interesting debate. The hon. Member for Dagenham (Mr. Gould), who is not in his place but no doubt may return, approached these issues in a more realistic, balanced and comprehending way than did some of his colleagues. I agree that clauses 2, 3 and 7 go to the heart of the Bill. I do not accept his suggestion that the Government are drawing a line from the time of profitability and that profits made thereafter will be made available to the new owners. That is not what we are about. We are preparing BSC for privatisation and are doing so against the background of a dramatic improvement in its results, leading to its move into profitability, without which privatisation would not have been easy to contemplate.

I welcome the recognition from the hon. Member for Dagenham, if not from some of his hon. Friends, that what we are proposing does not include any writing off of debt or any measure of subsidy. I welcome the hon. Member back to his place. He will be glad to know that I have been agreeing with some of the things he has said.

The debate has covered ground that will be familiar to members of the Standing Committee. The issues raised were discussed at great length in Committee on a number of occasions, but it might be helpful if I start by outlining briefly the operation of those parts of the Bill to which the amendments relate. I shall try to deal with most of the points that have been raised.

Clause 1 provides that all the property rights and liabilities of the corporation will be vested in a successor company. The successor company will inherit all the corporation's undertakings, both assets and liabilities. After vesting has taken place, on a day appointed by order by the Secretary of State—that is, "appointed day"—British Steel will be a plc that is wholly owned by the Government. The successor company will require a capital structure compatible with the requirements of the Companies Act 1985, and clauses 2, 3 and 7 provide for that capital structure.

The hon. Member for Dagenham identified as the starting point for our structural provisions the public dividend capital, and asked me to confirm the figure. As he will know, it is in BSC's accounts, and is shown as £3·98 billion at the end of the year 1986-87. He implied that the development of public dividend capital was a recent phenomenon, but it has its antecedents in the 1978 White Paper of the Labour Government.

The hon. Gentleman asked a question that he had already asked in Committee. I know that he had difficulties in Committee because he tended to ask a question and then leave the room because he was busy not so much in restructuring the steel industry as in restructuring his party's nationalisation policy—or rather, renaming it. At one time it was known as social ownership, which I characterised as being an upwardly mobile form of nationalisation or yuppie nationalisation, but I understand that that, too, has been dropped and the hon. Gentleman has had to go back to the drawing board.

The hon. Gentleman asked me a hypothetical question about the extent to which BSC might have paid dividends or interest on its capital in the past. Althought it is possible to make theoretical calculations, it is not helpful to do so, and it does not enhance the discussion about the successor company structure. The BSC did not pay dividends because it had no retained earnings with which to do so. It did not pay interest on its capital because it was not interest-bearing.

It is self-evident that, as the hon. Gentleman suggested, if interest or dividends had been paid, BSC's losses would have been correspondingly greater. One might speculate on what might have flowed from that; the return to profitability that we are seeing might have been that much more dramatic. The Labour Government recognised that had BSC been interest and dividend-bearing, its losses would have been correspondingly greater, and they did so in 1969, when they allowed BSC to convert £700 million into equity; and again in 1978, with the change from the national loans fund to the Exchequer capital funding and section 18 capital. We do not achieve very much by jobbing backwards in this way.

Mr. Gould: If the Minister is unwilling to give the House such information, does he at least foresee that he may be required to meet an obligation to potential private investors? Presumably, he, or someone on his behalf, will have to make some statement on the subject in the prospectus when it is eventually published.

6.15 pm

Mr. Lang: Potential investors will be presented with a prospectus and with all the appropriate and necessary details, but I do not see it as part of the compilation of a prospectus to answer questions relating to events that did not occur and speculating what might have happened if they had occurred.

Under clause 2(1), BSC's captial will be reduced, by an amount directed by the Secretary of State, to extinguish an amount of accumulated realised losses. The purpose of the capital reduction is to eliminate the deficit on its profit and loss account. The deficit is not a debt. I cannot stress that strongly enough. The corporation does not owe this money to anyone—it is simply a record of past trading losses. It reflects the erosion of the original capital base of the company through those trading losses. It is open to any Companies Act company to go to court and apply for a reduction of its capital to eliminate its accumulated losses. The BSC is unable to do this because of its status as a corporation. Therefore, we propose to proceed through

the Bill. It is not going to the court as a private company, but we are enabling it to happen through the High Court of Parliament.

The amount of the capital shown in the balance sheet, will, following the capital reduction, better reflect the value of the net assets. It will not change the value—there is no subsidy involved. Under clause 2(3), the capital remaining after the reduction will be extinguished and replaced by shares or other securities issued to the Secretary of State or the Treasury under clause 3. No loss of taxpayers' money is involved in this process. The Secretary of State remains the sole owner of British Steel, which will be worth the same as a plc as it was a corporation.

The hon. Member for Motherwell, North (Dr. Reid) raised an issue that he and I have already debated in Committee. He suggested that the reduction in capital would create benefits for the company, but not for the taxpayer. Even on the basis on which he puts that case, he seems to forget that the taxpayer owns the company. If he were right about the value accruing from the reduction in capital, it would accrue to the taxpayer at the time of the sale. As I have explained to him, the value of the company is unaffected by the restructuring exercise because the reduction is on both sides of the balance sheet. The reduction in public dividend capital is matched by an equal reduction in accumulated losses, so the net value is unchanged.

Dr. Reid: I know that I have raised this point before, but does not the Minister recognise that it is not as easy as saying that this is just like a restructuring which can be carried out under the Companies Act? The difference is that, when a restructuring is carried out under the Companies Act, those who owned the company before the restructuring are almost always those who own it after the restructuring. Therefore, they gain any benefit. In this case, the people who own the company before the restructuring—the taxpayers—will not be those who own the company after the restructuring. It will be owned by the private investors. Therefore, the people who gain the benefits of the restructuring are different from the people who subsidised the losses before restructuring.

Mr. Lang: No, the hon. Gentleman is wrong. The taxpayer owns the BSC and the taxpayer will own the public limited company that will be created by the restructuring. It is at the time of flotation that investors will place a value on the company and they will bid for it. The value that they place on it will take account of the condition of the company's balance sheet.

The statutory reserve that is provided for under clause 7 will be the balancing item between the total nominal value of the shares and other securities issued to the Secretary of State or the Treasury, and the amount of the public capital extinguished. It is common practice in these circumstances for the sale price of shares to be greater than their nominal value, and the reserve partly reflects that difference, but it is essentially required to ensure that the balance sheet balances.

Private sector companies generally have a mixture of share and loan capital and reserves. The process of restructuring the balance sheet of the corporation is complementary to the vesting provisions of the Bill. Instead of a nationalised corporation funded by public dividend capital, the successor company will be a Companies Act company with capital and reserves, like other Companies Act companies.

Amendments Nos. 3 and 24 seek to limit the capital reduction under clause 2 to a particular amount. That would not be acceptable to the Government, because, as I have explained, a limited company may, by a special resolution of its shareholders confirmed by the court, reduce its capital in any way, including a reduction to eliminate its trading losses. The provisions of clause 2(1) are equivalent to that procedure, which is not open to the BSC because it is not a limited company.

The reduction will result in the writing off of an equal amount of accumulated realised losses from the balance sheet so that the capital more accurately represents the net assets. I must stress that there is no magic formula or mystery in that arrangement. It corresponds fully with the Companies Act 1985 and is purely a balance sheet transaction. It is required to ensure that the successor company can be registered as a plc and be able to pay dividends.

We have not yet decided the capital structure of the successor company, and it would be premature to seek to take such decisions until the issues can be fully considered in the light of the BSC's audited accounts for the present year. The principle and purpose of the capital reduction are, however, clear and will be carried out entirely within the scope of existing company law.

Amendments Nos. 6, 7 and 28 are concerned with the statutory reserve created under clause 7. I am sorry to say that amendments Nos. 6 and 28 are based on a fundamental misunderstanding of the nature of the statutory reserve that I explained. It was debated fully in Committee, and I hope that I have clarified it in this debate. A normal private sector company's balance sheet contains a mix of capital and reserves.

Clause 7 provides for the creation of a reserve, called the statutory reserve. It will be equal to the difference between the nominal value of the securities issued to the Secretary of State under clause 3, and the amount of public dividend capital extinguished under clause 2. The nominal value of the securities issued under clause 3 will necessarily be less than the amount of capital extinguished—that is, the amount of capital after its reduction under clause 2(1). That is because a company cannot issue shares at a discount and, therefore, in order to have the ability to raise new capital at any future time, the market price of its shares needs to exceed their nominal value.

The statutory reserve is similar to a share premium account, in that it may be applied in issuing fully paid bonus shares to its members. It may also be applied, however, to the extent that the Secretary of State directs, in writing off unrealised losses arising from a revaluation of the successor company's fixed assets, and as a distributable reserve. As I said in Committee, it has not yet been decided whether any revaluation will be undertaken, but if it is, it is not expected that there will be any material change to the basis on which British Steel's fixed assets are recorded.

I was asked about the proportion and the amount of a revaluation. It is unlikely that the revaluation would have any material effect on BSC's total asset values. Any revaluation will have to be conducted by professional valuers and assess the value of all the company's fixed

[Mr. Lang]

assets to conform with section 275 of the Companies Act 1985 if it is to lead to an unrealised loss that subsequently can be written off against the statutory reserve.

Dr. Bray: There is a note in the accounts to which I referred, saying

"As their utilisation"

of assets

"continues to be significantly below installed capacity, the Corporation considers that it would be premature to anticipate that more than this value will be so recovered."

In view of the very big increase in capacity utilisation during the past year, is the Minister saying that that will not be taken into account in the annual report this year?

Mr. Lang: It has not yet been decided whether there will be a revaluation, but if there were to be a revaluation, it would not materially change the figures that are recorded in the balance sheet.

Dr. Bray: In that case, is the Minister saying that he does not expect the huge increase in capacity utilisation that has taken place in the past year, which has brought extra capacity into use and has not been included in the accounts, to be taken into account? Is he saying that the accounts will not take account of that? If so, he is saying that the books have been rigged.

Mr. Lang: I am not saying that; nor am I suggesting that the books have been rigged. I take this opportunity to correct the hon. Gentleman, who seemed to imply, if I understood him correctly—I shall read his words tomorrow—that the auditors have qualified the accounts of the BSC. That is not the case. The note that he read out was a clear and unqualified assessment of the company's account on an historic cost basis. In addition, a separate supplementary note within the accounts gave an historic cost basis.

It is normal for private sector companies to have both distributable—revenue—and undistributable—capital—reserves. Any revenue reserve authorised under clause 7 will reflect the profits that the corporation has earned in recent years, with the result that the successor company's balance sheet is a more accurate depiction of the present position of the business. I should stress that the creation of reserves has no effect on the cash position of the company; the company receives no money from the Government. It is simply a matter of bringing the historical financial record, as shown in the balance sheet, up to date.

Amendment No. 7 would delete subsections (2) to (4) of clause 7. These subsections define the uses to which the statutory reserve may be put, and which I have just described. It is normal practice for the functions of a statutory reserve to be defined by statute, so the subsections are necessary.

The provision that the Secretary of State may direct, under subsection 2(b), that a specified amount of the reserve may be treated as if it were profits available for distribution is not the same as giving cash to British Steel. Most companies have a revenue reserve, which is a book-keeping record of accumulated realised profits. British Steel is now profitable and would have been able to credit its profit to a revenue reserve had it been able to apply to the court before now—as a private sector company certainly would have done—to reduce its capital, thereby eliminating its accumulated realised losses.

The BSC has not been able to do that because of its status as a public corporation. Its recent profits have therefore been set off against its accumulated realised losses. The Bill provides that the Secretary of State may direct that a part of the statutory reserve may be applied as if it were profits available for distribution. The successor company may thus be provided with a revenue reserve which reflects the company's recent profitability and therefore its true trading position. This is not a cash transaction; no money is being given to the company and no subsidy is involved.

Amendments Nos. 6 and 28, to which the hon. Members for Bradford, South (Mr. Cryer) and for Alyn and Deeside (Mr. Jones) referred, provide for the statutory reserve to be used for investing in new capacity and training or to prevent plant closures. As I have said, the amendments are based on a fundamental misunderstanding of the nature of the statutory reserve. It is simply an accounting entry. It is not a pool of cash or a treasure trove that can be used in the ways that the hon. Gentlemen suggested. The successor company will have to generate profits to invest in new plant and equipment, as I am sure it will, and as the BSC does now. The investment policy of the privatised company must, in any case, be a matter for the company and not for the Government.

Mr. Cryer: I was making the point that there are now problems through the non-payment of ISERBS payments by the Commission, and that it would be desirable for any new venture to be insulated against that. Will the Minister turn his mind to that and assure the House that he and his ministerial colleagues—one of them has had correspondence with me—will continue to press the Commission and bear in mind the desirability of that contingency being avoided in future?

Mr. Lang: Although the hon. Gentleman's comments did not relate directly to the purpose of the statutory reserve, I intended to say that I have noted what he said about the need for help from the Commission for training and retraining purposes. One need only think back to earlier steel closures in the constituency of my hon. Friend the Member for Corby (Mr. Powell) to reflect on what can be achieved and what has been achieved. I know that my hon. Friend the Under-Secretary of State for Industry is taking a close interest in this matter and will have heard what the hon. Gentleman said.

On amendments Nos. 25 and 26, it is clearly incorrect for Opposition Members to state that the public money paid to the BSC should be regarded as some form of debt to the taxpayer. The provisions in the Bill lead to no loss of taxpayers' money. The amendments are thus based on a complete misinterpretation of the position. It is wrong to assume that the BSC can somehow be valued solely in relation to the capital shown in its balance sheet. That is a book-keeping figure. A company's worth is a matter not of balance sheet arithmetic, but rather of its performance and prospects. I suggest that privatisation will provide a better return to the taxpayer than many years of dividend payments.

The amendments are also unworkable. The hon. Member for Dagenham accused the Government of being too concerned with dividends and not enough with investments, but the amendments would land the successor

company with such a potentially crippling dividend burden that it would be unable to invest adequately in new plant and equipment for its future.

What we have in mind in the proposals in the Bill is not, to use the phrase of the hon. Member for Dagenham, short-termism. The restructuring is not, as the hon. Member said, a fraud on the taxpayer; still less is it, as the hon. Member for Motherwell, North suggested, a swindle. It is a proposal to put the corporation on all fours with a Companies Act company. It reflects the recent trading position of the British Steel Corporation. It enables it to have a fair chance of a successful future, which I believe is in the best interests of the taxpayer and the industry. I urge the House to reject the amendments.

6.30 pm

Mr. Gould: When I moved the amendment, I posed a number of questions to the Minister about the capital restructuring provided for in the Bill. I asked him how much, in his estimation, had been saved by the non-payment of any dividend or interest on public dividend capital. He declined to answer that. I then asked how much of the public dividend capital would be written down. I asked what safeguards would be provided in the absence of the proceeding, on which he places great reliance, that would have been followed in the case of a private sector company where application to the court would be necessary. I asked him how much of the extinguished public dividend capital would be passed to the statutory reserve. I asked how much of that sum would be directed under clause 7(2)(b) to be deemed to be distributable. I asked whether that direction would apply to the successor company.

We did not receive an answer to any of those questions, except, by implication, to the last, and there it was made clear—it is clear in the Bill—that any direction that the Secretary of State makes under that provision—it is intended to make such a direction—will inure to the benefit of the new private owners.

In the light of the absence of answers and of the suspicions that we have about the purpose and effect of the capital restructuring, we are satisfied that what is proposed is not fair to the taxpayer and does not point the successor company in the appropriate direction. In other words, it encourages emphasis to be placed on the payment of dividends as a priority over and above the need for investment. We believe that that is the wrong direction for the British steel industry to take. For those reasons, we are extremely disappointed that the Government have not moved in the direction of the amendments and we intend to vote in support of them.

Question put, That the amendment be made:—

The House divided: Ayes 210, Noes 249.

Division No. 311] **[6.32 pm**

AYES

Abbott, Ms Diane
Allen, Graham
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Hilary
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barnes, Mrs Rosie *(Greenwich)*
Barron, Kevin
Battle, John
Beckett, Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bermingham, Gerald
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Bruce, Malcolm *(Gordon)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Carlile, Alex *(Mont'g)*
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Dunwoody, Hon Mrs Gwyneth
Eadie, Alexander
Eastham, Ken
Ewing, Harry *(Falkirk E)*
Ewing, Mrs Margaret *(Moray)*
Fatchett, Derek
Faulds, Andrew
Fearn, Ronald
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Hardy, Peter
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Illsley, Eric
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Leadbitter, Ted
Lestor, Joan *(Eccles)*
Lewis, Terry
Livsey, Richard
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
Maclennan, Robert
McTaggart, Bob
Madden, Max
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Rogers, Allan
Rooker, Jeff
Ruddock, Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*

Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Vaz, Keith
Wall, Pat
Wallace, James
Walley, Joan
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Allen Adams and
Mr. Adam Ingram.

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Atkins, Robert
Atkinson, David
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't'e)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Budgen, Nicholas
Burns, Simon
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Couchman, James
Cran, James
Currie, Mrs Edwina
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fallon, Michael
Farr, Sir John
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Kenneth *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hogg, Hon Douglas *(Gr'th'm)*
Howard, Michael
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
Kilfedder, James
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lang, Ian
Lawrence, Ivan
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
McCrindle, Robert
Macfarlane, Sir Neil
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marlow, Tony
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Mayer, Sir Anthony
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, Chris *(Bath)*
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Sackville, Hon Tom
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Richard *(Aldridge)*
Sims, Roger
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis
Stradling Thomas, Sir John
Summerson, Hugo
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Thorne, Neil
Thornton, Malcolm
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Trotter, Neville
Waddington, Rt Hon David
Waldegrave, Hon William
Walters, Dennis
Wheeler, John
Widdecombe, Ann
Wilshire, David
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Richard Ryder and
Mr. Stephen Dorrell.

Question accordingly negatived.

Clause 3

Initial Government holding in the successor company

6.45 pm

Mr. Maxton: I beg to move amendment No. 9, in page 3, line 13, at end insert—

'(4A) One third of all Securities issued under this section shall be designated "employee shares" and held in trust for employees in the form of an Employee Share Ownership Plan with power to appoint directors'.

Madam Deputy Speaker (Miss Betty Boothroyd): With this we may take amendment No. 11, in page 3, line 13, at end insert—

'(4B) One tenth of all securities issued under this section shall be designated "pension shares" and shall be made available to former employees of the British Steel Corporation.'

Mr. Maxton: The two amendments together deal with employee share ownership. It is nice to see the Secretary of State for Scotland here for this important debate, although if he is to be present, I hope that he will listen and not talk. He has not shown a great deal of interest in the Scottish steel industry so far—*[Interruption.]* He obviously does not intend to stay; I wonder whether he is going to Hampden.

In an earlier debate, we raised the question of the involvement of the work force in the new company. The amendment represents a different way of ensuring such involvement, and the Under-Secretary of State for Industry, who replied to the debate, suggested himself that share ownership was the best way of involving the work force.

I hope that we shall be able to debate a second matter. We shall, of course, be debating the amendment, but I hope that you, Madam Deputy Speaker, will give us some leeway and allow us some debate on the written answer yesterday in which the Government laid down their proposals for share ownership by employees. The House should know what the Government have in mind, and perhaps they will answer some questions——

Madam Deputy Speaker: Order. I am afraid that we can deal only with the amendments on the Order Paper. We cannot deal with answers to questions unless they relate directly to these amendments.

Mr. Maxton: I am sure that they do, Madam Deputy Speaker. The Government's proposals deal with employee share ownership, which is what this debate is about.

The Government's proposals and ours are very different. We propose that one third of the shares should be designated as employee shares and held in trust for the employees in the form of an employee share ownership plan with the right to appoint directors to the board. That seems to us to be the best way of ensuring that the employees have a stake in the company, without the risks of direct personal ownership. They would have the right to make decisions and have a say in the future of the company in which they have already invested their labour, time and effort, without the possibility of losing their hard-earned money by investing directly in shares.

I should have thought that that would allow exactly the sort of developments about which the Under-Secretary talked. That certainly cannot be called "tokenism"—the word used by Conservative Members to describe our plans for appointing two directors to the board. It cannot be called a "retreat"—the term used earlier by the hon. Member for Darlington (Mr. Fallon)—from our plans to involve workers directly in industry.

Incidentally, it is surprising—for once, the Chancellor of the Duchy of Lancaster may agree—that in both the earlier debate on union representation on the board and again now, when debating share ownership, representatives of the Social and Liberal Democratic party, which has always been an exponent of worker participation and share ownership, have not bothered to be present and to participate in the debate.

We propose an innovative, imaginative and exciting way of ensuring the workers' involvement, even though that is not something the Government would like to see. We assume that those who will run the employees' share ownership plan will come, at least in part, from the trade union movement and will be nominated by employees through their trade unions. That would be the best way of involving the work force in share ownership and in directorships.

It is worth comparing the Government's scheme with our own. In a written answer, the Chancellor of the Duchy of Lancaster explained exactly what will happen:

"(i) employees will each be offered £70 worth of free shares plus a further £2 of shares for every year of service with the corporation. An employee with 15 years' service could therefore be eligible to receive, free of charge, £100 worth of shares;".

One of the interesting points arising from the previous debate was that the Minister of State, Scottish Office said that the Government had no idea what would be the capital valuation of the new company. However, the Chancellor of the Duchy of Lancaster stated in his written answer:

"All these arrangements will be subject to an overall limit of 10 per cent. of the shares on offer in the flotation."

There are 52,000 employees in British Steel. If one takes the minimum £70 giveaway, its value will total about £3·5 million. If that sum represents 10 per cent. of the shares on offer, the minimum flotation value will be £35 million. I hope that the Chancellor intends that the figure should be higher than that. *[Interruption.]* He is prepared to concede £35 million, but the overall picture adds more to that. It appears to give some idea that, when the right hon. and learned Gentleman did his sums in terms of employee share ownership, he had some idea of what the final flotation structure and value would be. How could he arrive at his 10 per cent. limit otherwise?

The Chancellor of the Duchy of Lancaster's written answer continued:

"(ii) employees will also be offered 2 free shares for each one bought at the full share price on a matching basis, up to a maximum value in free shares of £330. An employee buying £165 worth of shares would thus receive shares worth in total £495;

(iii) employees will be able to buy shares, up to a maximum value of £2,200, at a discount of 10 per cent. on the full share price;

(iv) employees and BSC pensioners applying for shares at the full share price, will be treated on a priority basis over the general public, up to a limit of £10,000 worth of shares"—presumably at the full share price—"per individual."—*[Official Report, 17 May 1988; Vol. 133, c. 383.]*

I do not believe that many employees at Ravenscraig will take up more than their £70-worth of free shares plus £2 of shares for each year of service.

The Government will have considerable difficulty in floating the British Steel Corporation, anyway. It will not be attractive to many investors in the market place and there is no reason why employees should risk their money by investing in it. The advantage of our scheme is that it would not put employees' money at risk. They would enjoy a shareholding through the plan, but their personal savings would not be at risk.

[Mr. Maxton]

I know some members of the senior management of Ravenscraig, and I do not imagine that any of them have £10,000, or the maximum of £12,200, to spare for an investment that is as risky as the British Steel Corporation, unless it is for a short-term return—buying shares at the time of the flotation in the hope that there will be an upward movement in their price, with a view to making a quick profit by selling them shortly thereafter. It is not likely that large numbers of employees will invest in the company in the way that the Minister suggests.

How many employees does the Minister expect will take up the various categories of share ownership? When he did his sums, he must have had some idea of the number of employees taking up even the £70 worth of free shares. Does the Minister expect them all to do so or only a certain percentage? How many employees does he expect will buy shares and then claim their entitlement to a further £2-worth of shares? How many employees does he expect will buy shares to the maximum value of £12,200 or £10,000?

When the Chancellor of the Duchy of Lancaster prepared his written answer, he must have had some idea of the numbers involved. Otherwise how did he arrive at those figures? What was the premise of his information?

Mr. John Home Robertson (East Lothian): Astrology.

Mr. Maxton: I thought that it was my hon. Friend the Member for Carrick, Cumnock and Doone Valley (Mr. Foulkes), and not my hon. Friend the Member for East Lothian (Mr. Robertson), who was into astrology. However, judging by some of the answers we have received, astrology appears to have been the way by which the Government arrived at them. Perhaps this is another example of it.

Having made all those calculations and arrived at an overall limit of 10 per cent. of the shares on offer, the Minister must have worked out what he considers should be the corporation's flotation value. If not, what will happen if, at the end of the year when he wishes to float the company, there is a slump in the share market? The share value may not be that which he anticipated but there may be the level of take-up which he expected from the employees. What will he do then? Will he downgrade the value of their shares? I am not sure whether the Chancellor of the Duchy of Lancaster nodded or whether it was only an involuntary movement of his head, but he appeared to nod, so it appears that, again, the offer he has made to the employees is not worth the paper it is written on. If there is a downward evaluation, the figures that he has produced will not materialise.

I am sure that the House is more interested to hear what the Chancellor of the Duchy of Lancaster has to say about his scheme than in listening to me talking about our own, which we know the Minister will not accept.

7 pm

Mr. Fallon: Some pretty curious amendments have been tabled by the Opposition, but amendment No. 9 is the most extraordinary so far. It is probably symptomatic of the Opposition's confusion about the whole concept of share ownership. For some years now they have been telling us that there is no demand for share ownership, either in the wider population or among those who work for nationalised companies that have been privatised. That is what the Labour party has been telling us, and some of its members are still doing so. That is what the trade union leaders have been telling us.

Mr. Maxton: As the hon. Gentleman accuses us of saying that there is no interest in share ownership, perhaps he would like to say who said it and when.

Mr. Fallon: I do not think that I need to detail exactly who said it. *[Interruption.]* Every time that my hon. Friends have come to the House and proposed a piece of privatisation legislation, it has been the Opposition's view that the privatisation should not proceed and, in particular, that shares in the previously nationalised industries should not be offered. Yet what happens? We have found time and again—with British Telecom, and with British Gas—that employees respond in overwhelming numbers.

Mr. Michael Brown (Brigg and Cleethorpes): My hon. Friend is absolutely right. To illustrate the point that he has made about previous privatisation measures that have been brought before the House, the Opposition have reminded anyone who is thinking of becoming a shareholder that the shares would be confiscated, perhaps for very little value in return. Perhaps my hon. Friend would like to press the Opposition on what they will do to these shareholdings.

Mr. Fallon: My hon. Friend must not tempt me too far along that line. Suffice it to say that thousands of individual shareholders in every constituency in the country now hold popular shares in formerly nationalised companies that have been privatised. That is probably why there are slightly more representatives on the Tory side of the House than there are on the Opposition side.

The Opposition cannot have it both ways. They cannot say that there is no demand for share ownership, and then say that, if there is, the employees should have a third of the shares. That is nonsense. *[Interruption.]*

Madam Deputy Speaker: Order. I can hear only one hon. Member at a time.

Mr. Fallon: This suggests to me that some Opposition Members have learnt from the success of our privatisation programme, having seen the huge take-up by British Telecom and British Gas employees of the shares made available to them. They have had to cobble together this policy so that they can go back and say to those who work for British Steel, "We would have allocated you even more shares than the Government are proposing."

We are bound to ask where that leaves the Opposition's share ownership policy. Will they revise the arrangements for British Telecom and British Gas to ensure that the work forces in those industries now have a third of the shares, as those in British Steel would have if the amendment were accepted? Will they revise the arrangements that the House has already put through, take shares from the public—indeed, from other trade unionists—and cobble them together in this extraordinary share ownership portfolio?

The second reason I believe that Conservative Members should reject the amendment wholeheartedly is that the shares are not being offered to those who work for British Steel; they are being placed inside a trust. The employees will have no rights. They may in name have some claim to

a third of the share capital, but they will not have the right to buy more shares, to sell any of them, to hold them or to dispose of them as they wish. It is a very patronising approach to share ownership to say that the employees should have a third of the shares but that they should not be able to do anything with them—that the ownership and management of the shareholding should be confined to trustees.

Who will those trustees be? We heard that the trade union barons would be the trustees of the scheme. That is not real share ownership. It is treating shareholders like children with pocket money—saying that they can have a third of the shares, but cannot do anything with them, and cannot have any rights. These will not be free shares in any real sense. In fact, they will be fake shares.

Mr. Maxton: I wonder how the hon. Gentleman differentiates between that sort of share and unit trusts or investment accounts in banks? In those instances, people put in their money and then own shares as a result of investment made by the bank. But they have no direct say. The employees of British Steel will have considerably more say.

Mr. Fallon: A unit trust is not controlled by the trade union leaders involved in the industry. It is perfectly possible for any individual to acquire more units in the trust or to dispose of them, as the case may be. The individual has some rights. But under amendment No. 9 the British Steel employee would have no rights whatever.

This is a bogus amendment. It cannot be confused with any real extension of wider share ownership; nor can it be called "exciting", which was how the hon. Member for Glasgow, Cathcart (Mr. Maxton) described it. He said that the whole point of the share ownership proposal that he was advocating was to take out the risk so that not only would the shares not go down, but they would not go up. Those who work for British Steel would have no opportunity to benefit from their investment and their commitment to this new dynamic private company. They would have no real interest.

In relation to an earlier amendment, the hon. Gentleman specifically spoke about employee interests. The employees would have no interest in these paper shares. They would not be able to benefit from increased productivity or the better performance of the company as a whole, nor would they be able to sell their shares, or acquire more, if they wanted to do so.

This is a bogus share ownership proposal, and as such it should be treated with the contempt that it deserves.

Mr. Morley: The hon. Member for Darlington (Mr. Fallon) displays the Tory party's attitude to share ownership, and demonstrates the original idea of what share ownership was all about. The original idea was to invest capital in a firm to help that firm to prosper, and to take a return from the profits in the form of dividends. But what is happening now, in Mrs. Thatcher's Britain——

Madam Deputy Speaker: Order.

Mr. Morley: I apologise, Madam Deputy Speaker.

What is happening now is that shares are being used as some kind of casino economy. The City is becoming an up-market bookie: people are making money on the actual transaction of shares without having the slightest interest in the investment in the company or in the company itself. The amendment gives a direct interest to those who have earned their rights to share ownership by the efforts that they have put into the company over the years, and the help that they have given it.

We also feel that 10 per cent. should go to the pensioners who have worked all their lives in the industry. It is a shame that those who deal in shares are held in higher esteem than, for instance, steel workers who have spent all their working lives in often appalling conditions and back-breaking work. They do not seem to receive the same esteem as people who sit in an office, press a button and transfer huge sums in shares in companies in which they have no interest and of which they have no knowledge. The amendment gives the people who have earned that stake some direct control of the company—a say in it, and a share and involvement in it. I am surprised that the Government should argue against that if they genuinely believe in any kind of shareholding democracy.

We talk about the desire of people to buy shares, and the so-called success of the Government's policy in selling them. If people are offered a deal whereby they give £5 and are given back £10, of course they will jump at the chance. But the number of small shareholders in British Telecom and British Gas is not increasing; it is decreasing rapidly, as people take their profits and get out.

Although many small investors had their fingers burnt in the October crash, it is worth remembering that the large institutions will still make money whether the stock market is booming or declining. Many of the small punters who were encouraged by the Government into the shareholding market have lost a great deal of money as a result. I do not see the Government shedding many tears about that. That is why it is right that the shares should be given to the steel workers. They have earned those shares through their labour, productivity and commitment to the industry.

Mr. Morgan: I am grateful for the opportunity to contribute my sixpen'orth to the debate because the amendments concern some important issues about which there are strong feelings among the steel workers as to who should own what share of the industry.

I listened aghast to the ignorance displayed by the hon. Member for Darlington (Mr. Fallon) about share ownership after privatisation. He appears to believe that the Government's privatisation programme completely excludes employee share ownership plans. He should be made aware that such plans have played a significant role over the past few years in privatisation involving parts of the bus and motor car industry.

The two largest employee share ownership schemes in Britain have both followed privatisation. The first is operated by the Portsmouth bus company, which, I understand, has about 4,000 employees and was privatised through a management and worker buy-out with the workers' part of that buy-out being operated through a employee share ownership scheme. The second scheme is operated by Llanelli Radiators, which employs about 1,500 workers and was privatised as part of the sell-off of the fringe parts of the British Leyland and, later, Austin Rover empire. Those workers found themselves faced with the choice of closure or having to assist in funding a buy-out and chose to opt for an employee share ownership scheme.

That was an extremely large company in manufacturing terms, certainly in Wales, and was privatised with no more

[Mr. Morgan]

than one quarter of the employees taking part. Nevertheless, it is still a new concept that has not been immediately embraced by everyone. An employee share ownership plan, such as we are proposing here, was adopted and helped to save 1,500 jobs, which are like gold in the Llanelli area as they are elsewhere in south Wales.

If the hon. Member for Darlington wants to exclude employee share ownership plans from privatisations, he has a considerable amount of retrospective work to do as a result of the Government's policy over the past four years. If he wants to defend the exclusion of the steel industry from such a scheme, he must explain why it is acceptable for the motor car components manufacturing industry and the bus industry to have such a scheme. Some extremely substantial privatisations have taken place in those industries with the assistance of employee buy-outs through employee share ownership plans.

Our proposals are no different, although they are on a larger scale. Although it is true to say that scale can sometimes be a killer argument, as it is not always easy to scale up to a firm with 52,000 employees, the position with British Steel does not differ greatly from that of the National Freight Consortium management and worker buy-out. The employees were very much in the driving seat in that company, with about two thirds of the shares owned by one third of the employees. That firm is halfway between the Portsmouth bus company or Llanelli Radiators and the British Steel Corporation and has well over 20,000 employees, of whom one third participate in share ownership. That buy-out took place through a scheme similar to an employee share ownership plan.

The Government must explain their reasons for rejecting the amendment, if they decide to do so, in spite of our best efforts to persuade them to support us. Why cannot such a scheme be set up in the steel industry when similar schemes have been set up in industries that are almost as large?

7.15 pm

Mr. Fallon: The hon. Gentleman referred to the example of the National Freight Consortium. The key difference between that share ownership scheme and the proposal that we are discussing is that the employees of the National Freight Consortium were free to buy as many shares as they wanted. As I understand the wording of amendment No. 9, the employees of British Steel will not have the freedom to buy as many or as few shares as they wish.

Mr. Morgan: The hon. Gentleman introduces the philosophical and dogmatic flavour that characterises his contributions to our debates. He is in favour of a proposal, if someone is economically free to implement it, but, if there is an element of planning, he is against it, regardless of whether it helps to achieve wider share ownership and greater employee involvement.

The hon. Gentleman is right to say that we accept that the Government have gone too far down the road towards the flotation of the successor company to involve the employees in majority share ownership in National Freight style. When the company had a low value, about a third of the employees would have come into the scheme and seen the value of their shares appreciate twentyfold, as has happened in the five-year period since the National Freight Consortium was bought out by management and workers. That is not possible as the BSC is now a profitable company. The NFC was a highly unprofitable company when the arrangement was made and the shares bought by workers were therefore extremely cheap. Only they and the management had the faith, with a small number of venture capitalists backing them, to buy in cheap and watch the company appreciate. As the BSC has now returned to profit, that option is no longer available and an employee share ownership plan is more logical.

It is a minor objection to claim that the Government could reject the proposal because it involves only one third of the shares or because it is compulsory to specify a figure of one third. If the Government wish to incorporate a flexible element in the scheme, we would be willing to discuss it with them. We want to ensure that, as far as possible, the firm's employees, including senior and middle management was well as shop-floor employees, should be in the driving seat.

One of the primary reasons why the employees of the BSC and of Allied Steel and Wire are extremely interested in acquiring shares in the industry is the fear of being ripped off by speculators. They see employee share ownership as one way of warding off control by speculators and the financial community. They want to ensure that they have the maximum amount of elbow in the industry after privatisation to ensure that the industry is not taken over by speculators, companies which are primarily interested in shrinkage and sell-off of spare assets or foreign companies interested in further rationalisation.

Some of those fears may be dealt with by the Government's announcement regarding a golden share. Following the experience with Britoil, the Government must accept that many employees of industries that were protected by golden shares do not have the same confidence in the golden share as a method of warding off takeovers as they did before the curious handling of the BP-Britoil takeover saga, in which the golden share was finally negotiated away by the Treasury.

Obviously, there will be the attractions of a dividend. It is difficult for Opposition Members to recommend the prospect of capital growth, because it is greatly influenced by currency patterns. Within the past month the senior management of the next largest steel company to the BSC, United Engineering Steels, warned that the rising pound was already hitting its profits and performance. One imagines that, if the flotation were not in the offing, the management of BSC and Allied Steel and Wire would have said exactly the same. The steel industry by its nature is highly sensitive to the changing relationship between the pound, the deutschmark and the dollar.

Those are all reasons why an employee share ownership plan is of great importance and why its structure is convenient to the industry, suspended as it is in a state of profitability, but with that profitability likely to be severely affected by currency changes, which are already upon us, and possibly by the changes which could occur on 30 June if quotas are not renewed and if dumping steel in the back gardens of other steel producers in Europe sets in as a way of removing surplus capacity, since that does not seem to be possible by negotiation.

Employee share ownership plans have the great advantage that they achieve a greater measure of control. I hope that the hon. Member for Darlington agrees that a curious feature of share ownership is that, despite the

massive number of share owners in British Telecom, for example—I understand that the employees own no more than 1 per cent.—they have no control over the company. They have the ability to buy or sell, but that is not a measure of control, nor is it what we are seeking for BSC employees. We are seeking a measure of control and I implore the hon. Gentleman to understand that that is what BSC employees are looking for. We intend to help them to achieve that.

The Government have offered conventional share ownership on slightly preferential terms in this absolutely repellent form of tokenism, which might result in as many as 3 or 4 per cent. of the shares landing up in the hands of employees. That is three times what BT employees have, but it is still nowhere near what we are trying to achieve. That does not achieve control. If British Steel has 52,000 employees, of whom 10,000 buy shares because they can afford to, and if they are backed up by a certain number of steel industry pensioners—the BSC is one of those curious industries which we now have in Britain in which there are twice as many pensioners as workers—how do they get together to exert any influence over the broad strategy that management is pursuing? They cannot.

An employee share ownership plan with the shareholders' power being exercised through proxy votes vested in trustees, who could be from trade unions—obviously those chosen to exercise proxy votes could be changed—means that a considerable amount of power is hands of employee or pensioner shareholders. That is the advantage.

Shareholders in British industry simply act as sleeping shareholders and in the end their only power is to sell shares and move on. That is not an option which employees would ever want. They invest their careers in the industry and their families depend on it. There is no way that they can share that in-out attitude towards the industry in which they work. They want to exercise some sort of control and influence over the management, and they can do that only through and ESOP-type structure.

That is how they will get together. Some will live in Scunthorpe and some on Teesside. The steel industry operates in the outer circle of the United Kingdom—in Wales, Scotland, the north-east and the east midlands. It is not all grouped together in one convenient region, so it is difficult for 10,000 shareholder employees to influence management's strategic decisions or to change the management if they think that its policy has deteriorated severely. Under the amendment, that can be done through proxy voting through the structure of an ESOP. That is why we commend it strongly as the best available option for maximising, not just share ownership but property control.

How does the provision of an ESOP relate to the golden share aspects that the Government announced in their proposals for preferential access to share purchase and to the temporary five-year anti-takeover provision? A company with an anti-takeover clause is attractive to its employees. They would be worried about buying shares in a company which might be taken over. Therefore, an employee share option plan goes along with an anti-takeover provision.

The Government have offered us temporarily a golden share of the classic kind. We are asking them also to consider the advantages of an ESOP proposal, such as we have here, which can incorporate not just the golden share for a temporary period, but a poison pill mechanism against the devices which in recent years the shadier end of the finance capital industry has developed in both Wall street and the City of London. A poison pill defends, not so much against takeover as against the dawn raids which are of doubful virtue, but which have not yet been made illegal.

Under the poison pill mechanism, additional shares will immediately be created if a dawn raid is carried out. If a dawn raid or concert party results in 15 per cent. of shares landing up in one pair of hands, it would be possible instantaneously, by articles of association and the relationship between the ESOP and the overall share of the company, to create an additional number of shares equal to that which landed up in the hands of the predator.

I understand that the alternative to the poison pill defence against dawn raids is called the Pac-Man alternative. In that, additional voting rights can be conferred on the shares in the proposed ESOP. In the event of any owner acting on his own or through a concert party and landing up with 15 per cent. or more of the shares, instantly additional voting rights are temporarily conferred until the takeover bid is warded off. They last simply while the crisis lasts. That is made much easier by the ESOP proposal. I hope that the Government will realise how much more attractive employee share ownership is to the employees of an industry such as British Steel if it can incorporate one of those two variants.

In that way, when the Government's golden share proposal expires, the ESOP can be used to achieve anti-takeover protection or semi-legal anti-takeover protection, against the dawn raid or concert party which we have seen so much of engendered by the wilder fringes of the financial community. That is simply not the kind of world in which potential employee share owners want to become involved. The ESOP proposal can be used constructively to maximise, not just employee share ownership, but long-term employee share ownership and an appropriate degree of control, so that if employees finish up with one third of the shares, they can wield one third of the power in the corporation. That is how it should be.

It is no good simply saying, "If you wish to dispose of your shares you should be free to do so." That is not what employee share ownership is about. It is an expression of the fact that employees have given their life's blood to the industry and wish to remain committed to it so long as they are employed there.

7.30 pm

Yesterday we made an unsuccessful attempt to encourage employee share ownership in Allied Steel and Wire. We asked that an employee trust fund, similar to an employee share ownership proposal, should be set up. According to my information, the Minister, no doubt inadvertently, misled the House. I am sure that he would like to take this opportunity to correct what he said yesterday in reference to my speech:

> "I am attracted by the idea that the employees of Allied Steel and Wire Ltd. should have a stake in the company. Once again, the hon. Gentleman's chosen method, contained in amendment No. 32 . . . is generous but it goes over the top somewhat. Most of the employees already have a stake in the company".—[*Official Report*, 17 May 1988; Vol. 133, c. 834.]

My information, from the trade union representing the employees, is that they do not have a stake in the company. What they took out last October was a £1 option which

[Mr. Morgan]

could be converted into shares when the flotation was announced. That option cost them a nominal amount. The workers may or may not exercise the option.

I offer amendments Nos. 9 and 11 to the House in the same spirit as I proposed the amendment yesterday. I am sure the Minister will take the opportunity later to correct the misinformation he gave the House yesterday, according to what I have heard from Cardiff, where Allied Steel and Wire has its headquarters. We are keen to encourage employee share ownership which does not exist yet in Allied Steel and Wire, although the Minister said yesterday that it did. We believe that employees require further encouragement towards share ownership. Amendment Nos. 9 and 11 would achieve that.

Mr. Kenneth Clarke: I accept that the hon. Gentleman may be more up to date and more closely informed about Allied Steel and Wire than I was yesterday. I will check what he has said. The workers' shareholding in the company may take the form of options to be exercised in the flotation. I am grateful to the hon. Gentleman for pointing that out to the House.

The amendments ought not to lead to too great a divide between us. It appears that we start roughly at the same place. We are now all in favour of the employees of companies that are being privatised having shares in those companies. Certainly the Government have never had any doubts about the desirability of encouraging employee share ownership in major companies. We have demonstrated that over and over again, because employee share ownership schemes have been a standard feature of almost every privatisation that the Government have carried out, although the exact terms have varied from case to case.

We are also clear about why we put forward these offers to employees. We think that it is important that people should be rewarded for the contribution that they have made, in the case of British Steel by turning the corporation around from being a chronic loss maker to a profitable company that is ready for the market place again.

It is right that, as far as possible, people's rewards in industry should be linked to the performance of the industry. Therefore, we are impressed when people take a stake in the industry and are prepared to look forward to gaining personally out of whatever improvement in performance they can contribute to. Obviously, it tends to reduce the divisions in industry if employees feel that they have a direct financial stake in the company for which they work.

Over the last seven or eight years of our economic revival, we have seen a change of opinion. Most people realise that their interest as employees is identical with the interest of the company for which they work and that anything that underlines that is to be welcomed. For that reason, we have always made it clear that we proposed to make special arrangements for employees of the British Steel Corporation and its subsidiaries to take shares in the flotation that we are planning.

Yesterday, in response to a parliamentary question from my hon. Friend the Member for Hertfordshire, South-West (Mr. Page), I gave details of what we propose. Employees will each be offered £70-worth of free shares, plus a further £2 of shares for every year of service with the corporation. That means that an employee with 15 years' service could be eligible to receive free of charge £100-worth of shares. Employees will also be offered two free shares for each one that they buy at the full share price on a matching basis, up to a maximum value in free shares of £330. So an employee buying £165 worth of shares would receive shares worth in total £495.

Employees will also be able to buy shares up to a maximum value of £2,200 at a discount of 10 per cent. of the full share price. Finally, employees and British Steel Corporation pensioners applying for shares at the full share price will be treated on a priority basis over the general public up to a limit of £10,000-worth of shares per individual. That is one of the most generous arrangements that we have proposed in a privatisation flotation. I hope that many employees will take advantage of it.

So far, so good. While I am grateful to receive the support of the Opposition for the principle of share ownership, I find, as my hon. Friend the Member for Darlington (Mr. Fallon) said, that they still have not sorted out exactly what form of share ownership they favour. The bland assertion of the Labour party that it has always been in favour of workers' shares is an assertion which I greet with the same incredulity as my hon. Friend the Member for Darlington.

I think I remember correctly—but I have not checked it—that the hon. Member for Dagenham (Mr. Gould) went to the last Labour party conference in a spirit of revisionism to lead the party back from the abyss into which it had fallen in June. He made a speech in which he was unwise enough to point out to fellow members of his party that he had found that many workers in industry were attracted by the idea of workers' shares. He was repulsed; he was rebuffed.

It is all very well for Labour spokesmen to say how much they favour employee shares, but the attendance of Opposition Members is not much better than the attendance on the Government side for the debate. If some of the hon. Member for Dagenham's hon. Friends from below the Gangway were to hear these ringing remarks about the desirability of encouraging workers to take shares, I think that the hon. Gentleman would be in trouble again. I think he would find that his party has a long way to be led on the issue.

Mr. Maxton: If my hon. Friend the Member for Dagenham (Mr. Gould) was repulsed, as the right hon. and learned Gentleman suggests, how was it that the constituency section of the Labour party elected my hon. Friend to the national executive of the Labour party so overwhelmingly?

Mr. Clarke: I note that the constituency section also elected the hon. Member for Bolsover (Mr. Skinner) to the national executive. It seems that he does not intend to give us the benefit of his views on workers' shares this evening, but I suspect that they are dramatically different.

Given that I am addressing the revisionists in the Labour party, having heard their amendment and the case which they put for it, I fear that they have not yet got the point of workers' shares. I have explained why we favour employee shares; we want to give employees a share of the reward that arises from the improved performance of the company and to lessen the divisions within industry.

The Opposition have suddenly thought that workers' shares give the opportunity of worker control; at least, that is what I thought they were in favour of. The hon.

Member for Glasgow, Cathcart (Mr. Maxton) said that they would not give the workers influence over the company, but that the trade unions would act as the workers' trustees and would ensure that the workers' interests were looked after by the route of worker share ownership. That explains the generosity of their amendment.

So enthusiastic are the Opposition about workers' shares that when we come forward with our reasonable proposals they outbid us; they try to steal our clothing. They say that we should give a third of the entire equity to the workers. That is curious coming from hon. Members who have complained about that hard deal which the taxpayer is getting. Now they say that the taxpayer should see a third of the equity given to the workers. However, it would not actually be given to the workers because they would not be allowed to sell their shares. They would not be allowed to behave as shareholders because the shares would be held in trust by the trade union, which would make sure on their behalf that suitable influence was exercised over the management of the company to put the new democracy in place.

Mr. Gould: I find that passage of the Minister's speech encouraging. After a long journey of incomprehension, he has at last grasped the point. Even he has been able to put in his own words, not quite accurately but just about right, the essential distinction which I and my hon. Friends have always maintained between the tokenism which he is offering to individual share owners and the rather doubtful investment which he is encouraging British Steel employees to make. There is a difference between that proposition and the idea, which has a long Socialist history, that worker share ownership held collectively is a means by which workers can exercise some control over their own destiny as workers in that enterprise. I am delighted that at long last the Minister has grasped that point.

Mr. Clarke: I think that I have always grasped the point. We are both defining carefully the distinction that still lies between us. The Government favour wider share ownership among the general public and employees. We see it as a way of distributing wealth and rewarding performance in industry. We believe in a property-owning democracy and that employees who have shares should be entitled to get the same benefit and have the same influence over them as any other investor and use them as they wish.

The Labour party, having discovered that it has been defeated in the general public argument of privatisation, employee shares and wider share ownership, has decided to return to all the old nostrums of worker control. I thought that workers' control was a very Left-wing part of the Labour party, but it seems to be winning new recruits tonight. The Labour party is not interested in every man being a capitalist and employees entering the property-owning democracy. If the Labour party cannot have state-owned nationalised industries, it is interested in having trade union-dominated industries by "giving" a third of the equity to the work force so that the trade unions can exercise control over it.

It may be that it is not in the amendment and this is not the occasion to go into further detail but, if that is the Labour party's intention, I am not completely against the idea of ESOPs and workers' co-operatives even, if they operate in the market economy and on a sensible basis. I do not think that using them as a cloak for trade unionism control or as an anti-takeover device is one of their attractions. I am familiar with ESOPs. Russell Long was the chap who started ESOPs in the United States. I have corresponded with and met Russell Long. We have looked at the possibilities of extending ESOPs in this country.

I agree with the hon. Member for Cardiff, West (Mr. Morgan) that the Portsmouth bus company is a good example of an experiment with an ESOP. As a Minister, I was involved in the privatisation of the National Freight Corporation, which was a successful example of employees taking shares. As my hon. Friend the Member for Darlington said, that privatisation led to an extremely successful company being formed. I might say that it was formed in the teeth of the opposition of the Labour party which, I recall, fought it night after night in Committee, because it did not want the employees to have shares. It wanted the company to be nationalised and loss-making and to stay as it was. Nevertheless, there is not need for us to have a deep divide over all these areas—increased worker involvement in industry, workers' ownership of shares and so on.

There is a fundamental difference between us. We believe that our proposal is an attractive offer to the employees of British Steel to participate as shareholders in the future success of the company. What is being offered by the Opposition is an apparently generous offer of trade union control.

Mr. Peter Hardy (Wentworth): The Minister is obviously enjoying himself, but he should realise that we are entitled to ask the Government to be consistent. Some of the shares that have accrued to workers in past privatisations have been given without voting rights. That does not tally with the suggestion that the Government are being generous to the steelworkers. When British Gas was privatised, the value of the free shares given to the employees was less than the cost incurred by the Government in promoting its privatisation in the United States of America. We are perhaps seeing inconsistency in the Government's approach tonight.

7.45 pm

Mr. Clarke: The precise offers that we have made have varied from case to case. I am not sure, but I think the proposal that we announced yesterday for employees of British Steel is the most generous offer of shares that we have made so far. It is certainly one of the most generous and there is no question of non-voting shares or anything of that kind.

We have made offers to the workers in every privatisation that the Opposition have fought. These offers have become increasingly popular with the employees. That is why Labour Members no longer get up during these discussions and flatly attack the idea of employees owning shares. Instead, they come up with alternatives of their own which are not quite the gift-wrapped presents that they seem to be.

A third of the equity to be given to the workers is not an option which I or my hon. Friend the Member for Darlington find acceptable. The Government have met the underlying desire—apparently of both sides of the House—to give the employees a stake in this company. I ask the House to accept our proposals and to reject the amendments.

Mr. Stan Crowther (Rotherham): I had no intention of intervening, but as the Minister is not prepared to give way, I must put this important point quickly. As far as I know, the Chancellor of the Duchy has no objection to institutional ownership of shares. I do not think that he will say that he objects to pension funds and insurance companies buying shares in the BSC. If that is the case, why cannot he be consistent enough to accept that an institution which represents the employees should also be entitled to hold shares? It is a simple point which I would like the Minister to answer.

Mr. Kenneth Clarke: I have no objection to trade unions owning shares; many of them do. I expect that trade union pension funds will take a substantial stake in this privatisation, as they have in others. That will be after the Opposition, to which many unions are affiliated, have fought the privatisation tooth and nail. I do not mind the trade union institutions holding shares as investors, but I dislike the idea that the workers will be given a large number of shares and that the power over the management —which is what interests the Opposition—will be exercised by the trade unions on their behalf.

Mr. Maxton: The hon. Member for South Ribble (Mr. Atkins)—in whose constituency is that famous bus company—attacked the Opposition earlier for tokenism. I have heard of tokenism, but, by God, the Chancellor of the Duchy's speech was the best piece of tokenism that I have heard from any Minister. [HON. MEMBERS: "It was robust tokenism."] I accept that it was robust tokenism, but it was still tokenism.

The way that the Minister made his scheme out to be the most generous ever is quite remarkable. He did not answer any of my questions about what percentage of the total share ownership he expects to be owned by employees or how many employees he expects to take up the various aspects of the scheme. Perhaps my hon. Friend the Member for East Lothian (Mr. Home Robertson) was right when he said that all these figures were down to astrology and have little to do with realism.

It is a generous offer of share ownership for employees, because the Chancellor of the Duchy knows that nobody else will take the shares. Of course he will try to get rid of as many of them as possible to the employees. That will get the shares on the market and enable him to say that the Government are getting rid of some of the shares. That is why, on the surface, the offer is so generous. However, many employees will not take up the share offer. He knows that the steel industry employees, like ordinary people and institutions buying shares, will not consider it to be a particularly worthwhile investment.

One reason why our scheme is designed to give power and responsibility to workers in the industry, as opposed to giving individual workers a small stake in the industry, is that people—especially those who live and work at Ravenscraig—know that privatisation puts their jobs at risk. However, if they own one third of the company, they will have a say in whether Ravenscraig should close. Under the Government's proposals they will have no say in the matter even if they buy the shares.

In fact, far from having a say, an employee at Ravenscraig who takes up his allotted number, or perhaps buys more than his allotted number, of shares under the Minister's scheme will be declared redundant, either because of a partial rundown at Ravenscraig or its closure. Then the DHSS will expect him to make a profit of 20 per cent. on each of those shares and will take that profit into consideration before it pays the redundant worker any income support that he may be entitled to. I do not know whether the Minister expects British Steel to pay a dividend of 20 per cent. on its shares. I think that that is rather unlikely, but perhaps he will tell us whether that is the case.

People will not buy the shares, because they will not give them any protection against the threat of unemployment. Therefore, there is a major difference between the Opposition and the Government. The individual share ownership tokenism in which the Minister is indulging does not give the workers any directors, or any power, and gives them only a small bonus. The Minister has said that workers are entitled to some return for the hard work that they have put in to help turn the British Steel Corporation round. However, if a man has worked for 30 years in that company, his bonus for doing all that work to turn it round and make it a profitable organisation is the princely sum of £130. What a bonus to offer the employees.

As there are other debates to come and although the Government are indulging in tokenism, as we accept that they will not take on board our genuine and imaginative approach to share ownership in the company, and as there comes a point at which it ceases to be enjoyable to bang one's head against a brick wall, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 16

CONSEQUENTIAL AMENDMENTS, REPEALS AND TRANSITIONAL PROVISIONS

Mr. Atkins: I beg to move amendment No. 15, in page 9, line 39 after 'make', insert—

'(a)'.

Madam Deputy Speaker: With this, it will be convenient to take Government amendment No. 16.

Mr. Atkins: Although we are dealing only with amendments Nos. 15 and 16, those amendments, together with amendments Nos. 17, 18 and 20 are consequential on the detailed investigations that have been carried out by my officials to ensure that no necessary provisions have been overlooked in terms of maintaining the status quo when the changes take place. Therefore, they are technical amendments.

The small extension to clause 16(2)—provided in amendments Nos. 15 and 16—seeks to ensure that the subsection provides a comprehensive safeguard, in case we have omitted or overlooked some necessary provisions in relation to one of the very many pieces of subordinate legislation that affect the corporation.

Mr. Gould: The Minister spoke, in effect, to all five of the Government amendments. He will want to move the second group formally when the time comes, but I can say straight away that we do not have a problem with that. However, there is a small question mark in our minds about the first group of amendments.

The addition to clause 16 seems a widely drawn provision. For that reason, I should like to ask the Minister what precedents there are for such a provision.

For example, I notice that in clause 83 of the Airports Act 1986, which is often prayed in aid by the Government as establishing the precedent for various provisions in the Bill, follows more or less the structure of clause 16 and that there is no equivalent provision to the addition that is proposed in the Government amendments. Perhaps the Minister owes us a slight explanation of why the amendment is required, given that, as I have said, it is drafted so widely.

We should also like to know the limitations on the ability that the Secretary of State would be given by that provision. For example, does the Secretary of State's ability extend to the ability to amend primary legislation or is the omission of any reference to that point deliberate? What is the time limit? One assumes that the purpose of the provision is to provide for the possibility of exercising that power after the appointed day—and that power goes on for ever. It is certainly true that the provision, as drafted, speaks in terms of saving or transitional amendments. However, that may not be a substantial safeguard against what appears to be a widely drawn power.

Therefore, while we do not believe that any great issue of principle is at stake, we should like a slightly fuller explanation of why the additional provision was thought necessary.

Mr. Atkins: The hon. Gentleman has asked several specific questions. At this juncture, I can only tell him that this follows the precedent of a number of other Acts. I shall endeavour to find out the detail of all the Acts to which he refers, but, as he will understand, there are probably many.

Mr. Maxton: That means, "Wait and see."

Mr. Atkins: The hon. Member for Glasgow, Cathcart (Mr. Maxton) makes a sedentary intervention. He should recognise the amount of technical work done by officials to review all the possible loopholes. He is making suggestions, conveniently while he is not in a position to know exactly what his hon. Friend the Member for Dagenham (Mr. Gould) is asking, let alone what I am about to reply. That does not help us to get to the point.

The simple answer to the question is that this provision follows the precedent of other Acts. My officials have spent considerable time combing through all the legislation on which orders are made and which protects the position——

Mr. Brian Sedgemore (Hackney, South and Shoreditch): It is coming—the information is coming.

Mr. Atkins: Yes, all the officials have been working extremely hard to ensure that every possible loophole is filled. It is amazing what one can do if one tries. The relevant legislation is section 58(4) of the Merchant Shipping Act 1988, section 34(4) of the Dentists Act 1983 and section 13(5) of the Anatomy Act 1984. Those are the precedents for this provision. I hope that that will reassure the hon. Member for Dagenham.

Mr. Gould: I am grateful to the Minister for his recital of that largely meaningless list of precedents. Can he now tell us what the provision is about? What is it meant to achieve?

Mr. Atkins: I can answer those questions. The hon. Gentleman will be aware that under most Acts there are provisions for statutory instruments. We have to ensure that in the event of something being missed—I do not anticipate that anything will have been missed, judging by the amount of work that officials have put in, as they always do, in combing through all the legislation that is affected by enabling legislation such as this—we can save a statutory instrument that has been repealed inadvertently by virtue of an Act being amended, consequent upon this legislation. That is the precedent that we have followed previously and we shall endeavour to do so here.

The hon. Member for Dagenham was right to spot that there is nothing particularly exotic about the amendment. It is a technical amendment. As ever, he has bowled a quick one, I have flashed and, I hope, not snicked the ball.

Amendment agreed to.

Amendment made: No. 16, in page 9, line 44, at end insert—

'(b) such transitional or saving provision as appears to him to be necessary or expedient in connection with the coming into force of any provision of this Act;

and any provision of an order made under this subsection after the appointed day may be made so as to have effect as from that or any later day.'.—*[Mr. Atkins.]*

Schedule 1

PROVISIONS SUPPLEMENTARY TO S.1

Mr. Atkins: I beg to move amendment No. 20, in page 11, line 41, leave out 'and' and insert'(2)'.

Madam Deputy Speaker: With this, it will be convenient to take Government amendments Nos. 17 and 18.

Mr. Atkins: Opposition Members will be pleased to know that these amendments bring about a small improvement in the Bill. They ensure that where, for pension purposes, a period of employment with another company is to be deemed as a period of employment with the corporation, that arrangement is not disturbed by the vesting under clause 1, but continues to apply with the successor company substituted for the corporation. This may be relevant, for example, for the purpose of calculating the pension entitlement of a corporation employee who was, prior to 1967, employed by a private sector steel company that was subsequently nationalised.

Amendment agreed to.

Amendments made: No. 17, in page 11, line 42, after 'day', insert—

'(a)'.

No. 18, in page 11, line 43, after second 'Corporation', insert

', and

(b) any period of employment which would, immediately before that day, have been treated as such employment for the purposes of any such agreement or arrangement,'.—*[Mr. Atkins.]*

8 pm

Mr. Maxton: I beg to move amendment No. 8, in page 11, line 45, at end insert—

'3A. There shall be no reduction in the value in real terms of the pensions, allowances and gratuities which the successor company becomes liable to pay under section 1 above.'.

Madam Deputy Speaker: With this it will be convenient to take Government amendment No. 21.

Mr. Maxton: I reiterate that the Opposition remain adamantly opposed to the concept of the privatisation of

[Mr. Maxton]

British Steel. We believe it to be bad for the economy and bad for the employees. However, as well as opposing, we have a responsibility to ensure that the best protection is available to employees if the privatisation goes ahead.

Existing employees and past employees now retired are concerned about what will happen to their pensions. Those who are already retired want to ensure that the pensions that they are receiving will continue to be paid to them and will continue to be meaningful in real terms. Those who are paying into the scheme, with the employer paying in as well, want to know that the value of their contributions will remain the same under privatisation.

We have tabled the amendment in an attempt to draw from the Government the exact nature of their plans. Since then, the Government have tabled amendment No. 21, which is considerably more detailed than our amendment No. 8. The Government have hard-working advisers who can give them help which, unfortunately, we do not have.

I am happy to keep my remarks brief and invite the Minister to explain the Government's amendment.

Mr. Morley: I appreciate that the Government have tabled an amendment that in some respects strengthens the protection of the pension fund. However, many British Steel workers in my constituency are worried about the future of the pension fund. In other companies there have been attempts to use pension funds as part of investment programmes. In some instances there has been a great deal of discontent and disagreement about the way in which the pension fund should be used.

When the BSC is floated, the Government will have no involvement or control. I appreciate that the Government have responded to some of the fears that have been expressed for some time about the future of the pension fund, but I hope that the Minister will give some reassurances that I can pass on to my constituents to the effect that the value of the fund will be protected. I seek also some safeguards on the way in which the fund will be used in future.

Mr. Atkins: Amendment No. 21 fulfils the promise that I made in Committee. The purpose of the amendment is to ensure that the repeal of schedule 3 to the Iron and Steel Act 1982 does not affect the continuation in force of any pension scheme, or any person's rights or liabilities in relation to any pension scheme, or the rights of any dependants, that derive from regulations that have effect as if made under that schedule. As I said in Committee, the amendment safeguards the continuity of the pension scheme after the appointed day, when schedule 3 to the 1982 Act is repealed.

The hon. Member for Dagenham (Mr. Gould) placed great weight in Committee on the power in paragraph 2 of schedule 3 to the 1982 Act to enable regulations to amend or repeal pension schemes provided that persons affected are not placed in any worse position. That provision does not, however, provide the general guarantee that he suggested. The BSC's present pension scheme is the responsibility of the corporation and the trustee, within the terms of the trust deed. I can assure the House that the corporation's firm intention, as I think I predicted in Committee, is that its present pension scheme will go forward unchanged into the private sector. Pensions should therefore continue to be provided subject to, and in accordance with, the present trust deed, at least as far as present employees and pensioners are concerned. I understand that the corporation will shortly be making the position clear to all its employees.

The imposition of a statutory requirement on the successor company and the trustees of the pension scheme of the sort proposed by amendment No. 8 is unacceptable to the Government. There is no such statutory constraint on the corporation at present. It is the terms of the trust deed that govern the corporation's pension scheme at present, and should continue, in our view, to apply to the successor company. That provides a very substantial assurance to all British Steel's pensioners and employees that their rights will be looked after.

As I said in Committee, there are 28 directors of the trustee committee, of whom 14 represent the work force. The trustees are bound both by the provisions of the trust deed and by a substantial body of trustee legislation to act at all times in the interests of the trust's beneficiaries. That is the overriding consideration affecting the activities of all trustees. The ability of British Steel plc to alter its pension scheme will therefore be heavily circumscribed.

British Steel's pensioners and employees have the assurance that all their present pension rights will pass unchanged to the successor company, and British Steel's clear intention is that they will continue unchanged into the private sector. Of course, I cannot offer absolute guarantees about the future any more than I could if British Steel were to remain a nationalised industry, but both the Government and British Steel are very well aware of the importance of this issue and fully understand the concerns that have been expressed.

Mr. Morgan: The Minister has said that 14 of the 28 trustees of the corporation's pension fund represent the work force. I take it that he means that the 14 were appointed through the representative trade unions of the work force, as is common in nationalised industries. Given the remarks of the Chancellor of the Duchy of Lancaster about employee share ownership schemes—the right hon. and learned Gentleman poured much derision on the idea that trade unions might represent the work force in terms of proxy voting through their shareholdings—does the right hon. and learned Gentleman envisage any changes in the rights of the work force to have 50 per cent. trustee representation on the pension fund? Is that to be altered in any way so that trade unions will not be permitted to act through their general secretaries or other officers as the trade union half of the trustees of the successor company's pension fund?

Mr. Atkins: The hon. Gentleman makes as convoluted a point now as he made in Committee when we discussed this issue at length. I promised in Committee that we would seek to persuade British Steel—British Steel seemed to have been persuaded—to maintain the same trust and pension fund when it became a privatised company as that which had applied in the past. The detailed arrangements of the constitution of the trust and the alterations to the trust are doubtless familiar both to the trade unions and the board of British Steel as it is now and as it will be. If there are to be amendments, they will be discussed through the normal channels within the company. If alterations have to be made, they will follow.

The position will be the same in future, as near as we can guarantee, as it is now. We cannot give absolute

guarantees, because the position under a privatised company or a nationalised company cannot be guaranteed absolutely. For example, I cannot predict whether the world will end tomorrow.

All the signs are that, while the position of the pension fund is being reviewed, the liabilities will be adequately provided for. I understand the reasons that led to the tabling of amendment No. 8, but given the detailed spelling out of the meaning of amendment No. 21, which confirms the position as was and as will be, I hope that the Opposition will withdraw their amendment and support amendment No. 21.

Mr. Maxton: I think that we would all like a slightly fuller explanation of the scheme. I understand that the Minister cannot give absolute assurances on the future of the pension scheme, and I am grateful to him for putting into the Bill some form of control over the new private company, but I should like to know whether the corporation is saying that, if someone joins the privatised company, he or she will be offered the pension scheme that we are discussing along with existing employees who will continue with it. Will someone who joins the company get the same pension scheme? I am not entirely clear about the relationship between British Steel's pension scheme and other public sector pension schemes. Will it have the same transferability rights as other pension schemes? Will people be able to pay into it and take out of it as they move?

Mr. Atkins: The hon. Member knows that there is considerable precedent for this in other privatisations. I said, when I served on my first Standing Committee discussing British Aerospace, that pensions were one of the most important elements in any privatisation, and they still are. I undertook to bring forward on Report—as I have done—the Government's view on what the future pension scheme would be in relation to the past one, and I have explained that.

It is for the company to make a detailed statement to employees in the near future—I am not sure exactly when. The future pension scheme for new employees will be spelt out, but I cannot say at this stage exactly what its terms will be, largely because it is still being worked out. It would be folly to suggest what might be in it.

Pensioners and employees in the company will have a pension scheme that is, to all intents and purposes, exactly the same as the present one—except that I cannot give a guarantee about it, for the reasons I have given.

Mr. Maxton: I suppose that it is pleasant to end the Report stage on a note of amicable accord, because we welcome the Minister's guarantee, although it is not as absolute as we would have hoped. We wish that privatisation was not taking place and that the employees could remain in the public sector. Given that they cannot, this is about as good an assurance from the Government as we are likely to get, and I welcome it as such.

Accordingly, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 3

Transitional Provisions and Savings

Mr. Atkins: I beg to move amendment No. 19, in page 16, line 18 at end insert

'any sum by virtue of paragraph 3 above or'.

The amendment puts right a minor omission in the Bill and ensures that the Secretary of State remains under a duty to account for any outstanding Government loans made to the corporation before the appointed day that vest in the successor company.

Amendment agreed to.

Amendments made: No. 21, in page 16, line 19 at end insert—

'Pensions and compensation payments

7A.—(1) The repeal by this Act of Schedule 3 to the 1982 Act (pension rights of employees shall not affect—

(a) the continuation in force of any pension scheme subsisting immediately before the appointed day in accordance with any regulations which then had effect as if made under that Schedule, or

(b) any person's rights or liabilities then subsisting in relation to any pension scheme by virtue of any such regulations.

(2) In sub-paragraph (1) above "pension scheme" means a pension scheme within the meaning of Schedule 3 to the 1982 Act.

7B.—(1) Any provisions of the Iron and Steel (Pensions) (Dependants) Regulations 1969 having effect immediately before the appointed day as if made under Schedule 3 to the 1982 Act shall continue in force (subject to the following provisions of this paragraph) notwithstanding the repeal by this Act of that Schedule.

(2) Any reference to the Corporation in those provisions shall have effect, as respects anything falling to be done or occurring on or after the appointed day, as if it were a reference to the successor company.

(3) Those provisions may be amended or revoked in like manner as if Schedule 3 to the 1982 Act had not been repealed (but the reference to the Corporation in paragraph 4(2) of that Schedule shall be construed as a reference to the successor company).

7C.—(1) Where—

(a) any regulations made under section 24 of the Iron and Steel Act 1953 (compensation to employees of certain nationalised companies or of the Iron and Steel Corporation), or

(b) any regulations having effect as if made under paragraph 2 of Schedule 4 to the Iron and Steel Act 1975 (compensation to employees of certain nationalised companies or of the Iron and Steel Board).

are in force immediately before the appointed day, any such regulations shall continue in force (subject to the following provisions of this paragraph) notwithstanding the repeal by this Act of paragraphs 7 and 8 of Schedule 6 to the 1982 Act (saving for compensation regulations etc.)

(2) Any reference to the corporation (including any reference which fell to be construed as such a reference immediately before the appointed day) in any regulations continued in force by virtue of sub-paragraph (1) above shall have effect, as respects anything falling to be done or occurring on or after that day, as if it were a reference to the successor company.

(3) Any regulations continued in force by virtue of sub-paragraph (1) above may be amended or revoked in like manner as if the provision mentioned in paragraph (a), or (as the case may be) paragraph (b), of that sub-paragraph had not been repealed (but any reference in that provision to the Iron and Steel Holding and Realisation Agency or to the Corporation shall, unless the context otherwise requires, be construed as a reference to the successor company).'.—*[Mr. Atkins.]*

Mr. Atkins: I beg to move amendment No. 22, in page 16, line 19, at end insert—

'Savings in connection with transfers to the Corporation

7D. The repeals made by this Act shall not affect—

[Mr. Atkins]

(a) any document or other thing which has effect immediately before the appointed day subject to any modifications prescribed by the Steel Companies (Vesting) Order 1970, or

(b) anything not falling within sub-paragraph (a) above (other than an enactment) which then has effect or is continuing subject to, or to modifications in consequence of, the substitution of the Corporation for any other person or body;

but, as from the appointed day, anything falling within sub-paragraph (a) or (b) above shall be further subject to such of the provisions of paragraphs 1 to 3 of Schedule 1 to this Act as are applicable.'.

This amendment is a technical provision designed merely to ensure that the statutory vesting under clause 1 and the subsequent repeal of the 1982 Act do not disrupt existing arrangements or entitlements.

Amendment agreed to.

Mr. Atkins: I beg to move amendment No. 23, in page 16, line 30, leave out 'during that period, shall' and insert 'which is relevant to the making of that distribution, shall accordingly'.

This is a technical amendment that follows precedence in earlier Acts. If the hon. Member for Glasgow, Carthcart (Mr. Maxton) wants me to spell it all out again I shall have to seek advice.

Amendment agreed to.

Order for Third Reading read.

Motion made, and Question proposed, That the Bill be now read the Third time.

8.14 pm

Mr. Crowther: No one in the steel industry, whether employed directly by the BSC or working for a firm in which it has a substantial shareholding, can view the future with anything but great trepidation. Throughout the debates on this Bill, my hon. Friends have tried to introduce changes which would have improved the security of the industry and its work force in various ways. We welcome the minor provisions on pensions, but it seems unfortunate that the Opposition had to press the Government to make even those small concessions. The Government should have thought of them themselves.

Otherwise, the Government have conceded nothing. They are throwing the BSC naked back into the private sector jungle from which it had to be rescued in 1967. The Bill is ideological—nothing else: so much is clear at the end of all these debates. Not the slightest commercial justification for the privatisation of British Steel has been advanced throughout the debates. The Government say only that it belongs in the private sector. Why does it belong there? No one has given us a good reason.

If the BSC belongs in the private sector, why did not the Conservative Government who were returned to power in 1970 put it back there? Why did not this Government put it back in 1979, or in any of the eight subsequent years? We, and they, know the answer. They knew that the industry needed investment on a scale that the private sector could not or would not provide. So they brought in Mr. MacGregor to preside over the destruction of 111,000 jobs, the financial costs of which had to be met by the taxpayers and the social costs of which are still being suffered in steelmaking areas such as mine, where massive unemployment is still the order of the day.

Now, because of these measures and because BSC now has modern plant—thanks to public investment—a greatly reduced work force and a high level of productivity, it is making a bit of profit—but not a lot. So the BSC has to go back to the private sector, which was so disastrous for the industry in the past. It is returning to that sector with no assurance that adequate resources will be available for new investment or that all its present plant will remain open. It returns with no assurance that it will continue to be profitable under the burden of increased electricity charges and the adverse exchange rates that are now beginning to affect it; and with no assurance that it will not be gobbled up by its ruthless foreign competitors. So, an industry which has been brought back to a state of high productivity and efficiency because by public ownership is being thrown back into the jungle. This is a sad day for the British steel industry and all who are associated with it.

8.17 pm

Mr. Kenneth Clarke: I am grateful to the hon. Member for Rotherham (Mr. Crowther) for starting the debate. I am not sure whether he moved the Third Reading—it is unlikely in the light of his comments——

Mr. Crowther: On a point of order, Madam Deputy Speaker. You will recall that no one appeared anxious to make a contribution until I got on my feet. If the Minister had been present, he could have moved the Third Reading.

Madam Deputy Speaker: I confirm that the hon. Member for Rotherham (Mr. Crowther) was the only one who rose at that time.

Mr. Clarke: We all wait for the words of the hon. Member for Rotherham about the steel industry, and I am glad to have conceded the first word to him.

I agree with the hon. Member for Rotherham that the issue we are debating is whether the British Steel Corporation should be owned by the state and remain in the public sector. This is an enabling Bill, to enable the corporation to be turned into a Companies Act company in which the Government will own all the shares for a short time before we proceed to flotation at the end of this year, at the earliest—or as soon thereafter as possible, if that does not prove possible.

The Opposition remain opposed to the whole principle and we have one last opportunity to talk about whether a giant and important manufacturing company such as British Steel will do best as a state-owned company or whether it should be returned to the private sector. The hon. Member for Rotherham said that the company belongs in the state sector. I assume from the gist of most of the Opposition comments during the hours of debate on the Bill that they will restate their preference for state ownership. I have listened to the nuances of the debate during the course of protracted exchanges, and questions arise in my mind about exactly what ground now stands between us and the Opposition.

I am not quite sure why the Labour party continues to prefer state ownership. I am no longer at all clear what form of state ownership the present day Labour party wants. I have listened to the debates but I still do not know what alternative future the Opposition propose for the industry. The hon. Member for Dagenham (Mr. Gould) vehemently refuses to say what any future Labour Administration would do if we proceed to privatisation and return the company to the private sector.

Mr. Gould *rose—*

Mr. Clarke: At this late stage, the hon. Member for Dagenham is about to tell us whether the steel industry would be renationalised by a future Labour Government.

Mr. Gould: It may be a late stage for the Chancellor of the Duchy of Lancaster, because he was not a member of the Committee and was not present at any of the Committee sittings. If he had attended, and certainly if he had taken any interest in the proceedings, he would have discovered that, repeatedly, day in and day out, we made very clear our preference for public ownership. We also made clear our view that the status quo has served the British steel industry extremely well. Any mystery that remains in his mind could have been dispelled if he had bothered to listen to or read the many speeches that I and my hon. Friends made in Committee.

Mr. Clarke: Once again, the hon. Gentleman has evaded the question that I put to him. Of course I understand that he has consistently stated a preference for public ownership. By its vote later tonight, the Labour party will be expressing its preference for the status quo. Whether that means that the Morrisonian corporation is in the opinion of the Opposition a desirable and permanent future status for the steel industry is very doubtful.

The Opposition are not clear what form of state ownership they want, and the question that the hon. Gentleman rose to answer is one that he has consistently declined to answer. Given that he and all his hon. Friends know that we will return the corporation to the private sector, will he tell the House whether the Labour party would renationalise it? The Opposition have declined to answer that question. There are considerable difficulties in understanding what the Labour party means by a state-owned industry, and we do not know whether it is still wedded to the Morrisonian corporation, which, by their vote, the Opposition will appear to defend at the end of this debate.

As the hon. Gentleman said, I was not a member of the Committee, but I studied its proceedings. I noted in particular that the hon. Member for Great Grimsby (Mr. Mitchell) who has been very active throughout proceedings on the Bill, although he is not in the Chamber at the moment, said in Committee when discussing a new form of public ownership:

"Perhaps we should have thought of it earlier, because I concede that there are disadvantages to the Morrisonian corporation which has been the traditional form of nationalisation. The Labour party is thinking actively and strenuously about new varieties of ownership, involving the workers and making commercial returns and imperatives available to nationalised industries."—[*Official Report, Standing Committee D*, 14 April 1988; c. 524.]

That sits oddly alongside the commitment to vote for the retention of the Morrisonian corporation whose existence the Government are about to bring to an end.

I shall try again from another quote. The hon. Member for Great Grimsby said that the amendments that the Committee was discussing

"propose that British Steel should demonstrate a track record before privatisation.

We are not standing in the Government's way and saying, 'Thou shalt not privatise'. We are saying that we should privatise taking into account all the sense and virtues that the Government tell us are to be found in the Conservative party—the feeling of financial markets, financial rectitude and financial responsibility—by establishing a track record before this important national asset is launched on an uncertain sea."—[*Official Report, Standing Committee D*, 10 March 1988; c. 59-60.]

Both those quotations might leave the thought in some people's minds that the meaning is not altogether clear. Given that we are debating the principle of state ownership, the opportunity should be taken to make the meaning clear about the Labour party's position and the vote that it intends to cast.

These curious excursions by the hon. Member for Great Grimsby match some of the statements by the Labour party's allies in the trade union movement. Mr. Roy Evans, the general secretary of the Iron and Steel Trades Confederation, said in the ISTC journal of February 1988:

"In a highly competitive industry, the most efficient companies will survive and prosper. The industrial relations structure in steel must be rationalised to avoid any possibility of obstacles in the way of efficiency . . . The road to privatisation is not going to be easy, but we cannot prevent it without closing down the industry and putting all our jobs at risk. So we should use the opportunity to play a constructive role in creating a modern, profitable and humane industry able to provide guarantees of well-paid jobs for ourselves and our children."

That leads us to the problem of the Labour party telling the House only that it prefers public ownership. All it will do is vote against the Bill in an attempt to retain the status quo. We know that that is not an alternative to the policy contained in the Bill and it leads us to a great problem. The Government say that this company will flourish and will be managed better, will perform better and will give a better future to its employees and certainly to its customers in the commercial arena as a private sector company. What is the Labour party saying? It is a listening party and will not have an industrial policy for a couple of years after the next election. The Opposition are in no position to cast a calculated vote for anything.

Dr. Reid: Such is the Minister's grasp of the flexibility with which the Opposition are approaching the whole question of social ownership that I would be tempted to vouch for him as a future Minister in a Labour Government, except that in my hon. Friend the Member for Dagenham (Mr. Gould) we have a better candidate.

The Minister finds it difficult to understand how we can oppose the principle of privatisation while in Committee we suggested ways in which it could be carried out in a better form than the way in which the Government propose to carry it out. May I quote to the Minister the parable that he has not read in *Hansard* and which I had to give to the Under-Secretary? We are opposed to violence but would rather be slapped in the face than shot through the head. The manner in which the Government are privatising the industry is a shot through the head for the industry, its workers and the taxpayer. We are suggesting within the privatisation format ways in which the Government could improve their approach to privatisation if they are intent on sticking to it.

Mr. Clarke: With respect to the hon. Member for Motherwell, North (Dr. Reid) that is all very well for amendments when the Opposition can claim that they accept privatisation because it is forced upon them and they are seeking to improve it. At the end of the debate, they will vote on the principle of the Bill and will vote for public ownership. I am talking about the flexibility of the hon. Member for Dagenham and wondering where this flexible reasoning is leading the Labour party.

[Mr. Clarke]

These questions are crucial to Motherwell and elsewhere. What is the future of the steel industry and what do the Labour party propose? The Opposition defend nationalised industry, but what kind of nationalisation do they contemplate? The hon. Member for Dagenham is nodding and I am sure that he will speak on Third Reading. This is my best opportunity so far to discuss the matter with him, and where better than across the Dispatch Box? I thought that I would be discussing it with him on "Newsnight" on 9 May.

The hon. Gentleman emerged as the author of a Labour party document on the future of public ownership and he and I were invited to have a discussion. However, the hon. Member for Dagenham made representations to the BBC and would not discuss the matter with me.

Mr. Michael Foot (Blaenau Gwent): On a point of order, Mr. Deputy Speaker. We are all fascinated by the fantasies of the right hon. and learned Gentleman, but is it not a convention of the House, preceding even the presence of the right hon. and learned Gentleman in high office, that Third Readings should be devoted to discussing what is in the Bill? It is very different even from Second Reading. When does the right hon. and learned Gentleman intend to come to order?

Mr. Clarke *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. I am grateful to the right hon. Member for Blaenau Gwent (Mr. Foot). I have only just come to the Chair and I am getting the distinct impression that both Front Benches are probably not keeping to the straight and narrow. May I remind the House that Third Reading speeches must be confined to the contents of the Bill?

Mr. Gould: On a point of order, Mr. Deputy Speaker. The Opposition Front Bench has not yet risen to take part in the Third Reading debate.

Mr. Deputy Speaker: I was going by my impression of the atmosphere of the House, and I am looking to both Front Benches to set a good example to assist the Chair.

Mr. Clarke: I accept your guidance, Mr. Deputy Speaker. I have the greatest respect for the right hon. Member for Blaenau Gwent (Mr. Foot), so if I talk about his seniority, it is not out of disrespect. The old Labour party has risen to the rescue of the new. It may be—I accept your ruling, Mr. Deputy Speaker—that protracted discussion about the position of the Labour party is as impossible on this occasion as it proved to be on "Newsnight". Nevertheless, it is relevant to the content of the Bill and to whether or not the Bill will receive the support of the House that we should know what is the Labour party's view of public ownership.

I am sure that it is not beyond the ingenuity of the hon. Member for Dagenham to help us, although I know that he and his hon. Friends have avoided this question for at least 80 hours in Committee and many more on the Floor of the House. The Labour party has the opportunity—I am sure that it can slip it in within the rules of order—to give us some enlightenment about what kind of nationalised industries it now favours and what kind of nationalised industry it is seeking to defend.

I shall revert to order. The right hon. Member for Blaenau Gwent wishes to know about the Bill. It is an enabling Bill, which will enable the Government to transfer the status of British Steel from a public corporation to a Companies Act company in which the Government will own all the shares. The Government intend to sell the shares at an appropriate time, thus returning British Steel to the private sector—the right and proper place for it. The Bill does not dictate the timing or manner of privatisation, but as I have told the House, it is our intention to privatise British Steel as soon as is practical and as a single entity in its present configuration.

The essence of the Bill is that all the property, rights and liabilities of the corporation will vest in a successor company. That company will be a Companies Act company, limited by shares that will be wholly owned by the Government. Therefore, while there will be a change in the legal status of British Steel, from corporation to plc, there will be no material change in its commercial activity or the extent of its assets and liabilities.

The successor company will require a capital structure compatible with the requirements of the Companies Act. Therefore, the Bill makes provision for the necessary financial restructuring of the corporation. These provisions constitute simply a rearrangement of the balance sheet and are not a write-off of liabilities or a subsidy. We discussed this at length on Report. No money changed hands at any stage. The first step is to reduce the corporation's public dividend capital in order to write off past trading losses so that the capital shown in the balance sheet will accurately represent the value of the assets. This process is not a write-off of debts. Past trading losses are not debts—they are a record of past losses which have been incurred, accounted for at the appropriate time, and recorded in the balance sheet. They represent public money that is lost and gone for ever, during the record of the company as a nationalised company.

It is not true to say, as Labour Members, including the hon. Member for Rotherham, have tried to imply throughout our debates, that the taxpayer will receive a raw deal either from the capital reduction or from the privatisation. It is a completely unrealistic estimate of what the taxpayer ought to receive to say that he should receive back all the money that he has put into the corporation in the past. That money has been used to fund past trading losses. It represents the cost of keeping uneconomic capacity going for too long and it also met the costs of rationalisation. That money is lost and gone. It represents in large measure the cost of imposing decisions on the business that often did not accord with commercial realities, and it is unrealistic to suggest that the money should be repaid.

If the Opposition were to win the vote this evening, that money would never, and could never, be repaid. The corporation has not paid a dividend since 1975. Even with the payment of a large and regular dividend from now on, the corporation could never repay to the state what it has received from it, and it is unrealistic to think otherwise. The taxpayer will get the best available terms through privatisation, because whatever value is realised from the proceeds of the sale would be considerably greater than whatever is realised in many years of dividend payments.

That is the essence of the Bill, and that is in order. The House is riveted by a speech that is in order on Third Reading, but I hope that my minor excursion earlier will arouse a somewhat wider response from the hon. Member

for Dagenham. He shares with me the view that this is a vital industry, and we wish British Steel and those who work in it great success in the future. When the hon. Member was talking about the importance of such utilities on the programme to which I inadvertently returned earlier, he said:

"When you see the document you will see we set out our broad approach, which certainly talks about the general and unique importance of the major utilities as servants of the economy, as deliverers of services to consumers, as providers of essential facilities to the national economy. And that leads us to certain conclusions. But we don't, by any means, rule out, indeed we specifically recognise that in some instances some form of ownership, or control, in addition to the regulation that we initially refer to, that some form of ownership or control may well be required."

He then set out some options. He continued:

"But we have yet to do the work which will enable us to decide exactly what form that should take, and in what instances."

That is his policy. Ours is the one that I have described and that is embodied in the Bill, and ours is a tribute to the success of the corporation and its work force.

We recognise the enthusiasm and commitment of the management and the work force, which have turned around the performance of the corporation. That is why the package of benefits that I have described will be available to the employees on flotation. We anticipate that, on its return to the private sector, BSC will continue to thrive. It will be better able to respond quickly and flexibly to the market conditions. It will not be subject to the control of the Treasury or Ministers. It will not, thank heavens, be subject to the trade union control that the Opposition were urging upon us as an improved form of private sector ownership.

The BSC is now one of the most profitable steel producers in the world. Its record of achievement in recent years is impressive and the results are plain for all to see. It has continued to invest in its business and to improve efficiency and productivity. We believe that British Steel's future is best assured in the private sector, subject to no more and no less a degree of Government regulation than any other private sector company.

The Bill enables the Government to set in motion the transformation from nationalised corporation to private sector plc. We know what we want. We have an extremely clear policy. We believe that this policy is backing the BSC and all who work in it, and offering them a better future. I do not believe for one moment that the Opposition have the slightest idea of what they propose to do with the steel industry or any other major industry, yet they are about to cast a vote that clings to the old Morrisonian corporation because they cannot think of anything better and they certainly cannot agree among themselves on anything better. As we have a clear policy, taking forward the logic of our position, I commend the Third Reading of the Bill to the House.

8.37 pm

Mr. Gould: I suppose I should find it flattering that the Chancellor of the Duchy of Lancaster tried so hard, even though it meant that he strayed out of order, to deal with remarks that I have made on television rather than trying to explain the Bill. However, I will not follow him in that course because I propose to stay in order and devote my brief remarks to the Bill. After all, the Government have introduced this Bill and we must respond to it. I hope that the Chancellor will be satisfied by the end of my speech, and that he will realise that our position is clear.

The Bill began with the statement that the right hon. and learned Gentleman made on 3 December, but it began with a mystery. We tried to unravel that mystery in Committee, in a process that took many hours, during which we had to do without the help and assistance of the Chancellor. Despite our hard work, we got nowhere near unravelling the mystery of why the Bill was introduced at this time. We learned a little more about the Bill, but not much. Ministers were not very forthcoming about the reasons for its introduction and were extremely shy about answering one specific question. It may be that, now we have the Chancellor here, I will be able to do what he could not, and ask a question that is in order. Why was the Bill suddenly introduced when it had not been presaged by any reference to it either in the Conservative party manifesto or in the Queen's Speech?

We found that puzzling. Rather fruitless efforts were made by some Ministers in Committee to assure us that all sorts of footling little measures might be slipped through without being mentioned in the Queen's Speech, but that is not a good answer. We thought that that answer did not attach sufficient importance to this measure. If, as we suspect, the Government regard it as an important measure, it would have been reasonable to expect some reference to be made to it in the Queen's Speech.

Of course, as the Chancellor knows, reference was there none. We are interested to know why, between drawing up the Queen's Speech and the Conservative party manifesto and the statement on 3 December, there was some sudden change of heart and some reason was considered to be sufficiently pressing to induce the Chancellor and his Department to bring forward the Bill. We received no answer in Committee, but I hope that the Minister will now offer us an explanation.

Mr. Kenneth Clarke: I am sure that the hon. Gentleman will recall that statements from Conservative Ministers that the aim of the policy of this Government was to return the British Steel Corporation to the private sector as soon as it was practicable and reasonable to do so go back to well before the last election. It is true that there was no specific reference to it in the manifesto, but there was in speeches, and there certainly was in the campaign guide produced by the Conservative party, which I am sure is consulted as regularly by those at the headquarters of the Labour party as it is by those at the headquarters of the Conservative party.

In the course of the year, British Steel's recovery became so fast and so strong that it was quite obvious —certainly when we received the half-yearly results—that its performance had reached a stage at which it was ready to return to the private sector, and therefore we proceeded. It was trailed in the Gracious Speech by the words

"Other measures will be laid before you."—[*Official Report*, 25 June 1987; Vol. 118, c. 40.]

Other measures were.

Mr. Fallon: Will my right hon. and learned Friend give way?

Mr. Clarke: If the Government can move so steadily and purposefully towards our stated intentions, why does

[Mr. Clarke]

it take the Labour party so long to decide whether it will renationalise the company once we have returned it to the private sector?

Mr. Gould: I am surprised that the Chancellor should follow the faltering footsteps of his junior ministerial colleague, as that is exactly what he told us in Committee. We found it pretty unconvincing; the whole Committee found it pretty unconvincing. Judging by the attempt of the hon. Member for Darlington (Mr. Fallon) to intervene in the Minister's intervention, I suspect that he too found it pretty unconvincing.

Mr. Fallon: I intervened to help not the hon. Gentleman but my right hon. and learned Friend. There is a much clearer and more obvious text than that rather dubious phrase from the Queen's Speech. If the hon. Member for Dagenham (Mr. Gould) will look closely at the 1987 Conservative manifesto, he will find a sentence reiterating the Government's commitment to returning all state industries to the private sector. The British Steel Corporation is a state industry; therefore, it is being returned to the private sector.

Mr. Deputy Speaker: Order. I hope that we shall not spend too long on manifestos. We should be discussing the Third Reading of the Bill.

Mr. Gould: I am very happy to do so, in the comfortable knowledge that the hon. Member for Darlington has agreed that the reason advanced by the Chancellor is pretty dubious. We are all agreed on that.

The origins of the Bill go back not just the few years to which the Chancellor referred, but perhaps 25 years. That is as long as Conservative Ministers have promised to privatise the steel industry. The very generality of the commitment, as the hon. Member for Darlington explained, and its long history lead us still to be puzzled about why the Bill was brought forward with so little fanfare and so little notice. That mystery remains unresolved.

A possible explanation which, to some degree, is borne out by what the Chancellor has just said is that it suddenly occurred to the Chancellor, the Secretary of State and his Department, that a window of opportunity had opened. That window of opportunity was based entirely on the current, but possibly short-lived, profitablity of the British Steel Corporation. With their very sensitive regard for the competitiveness and profitability of British industry, they knew that that window of opportunity would close very shortly. Perhaps they knew last year that the Prime Minister would win the famous battle over the exchange rate, and that the pound would rise to the dizzy heights of DM3·18, or whatever it stands at today, and that that would place a very large question mark over the prospects of the steel industry and the corporation.

For all those reasons—one can picture the scene—those very wise and clever people who sat with us throughout the passage of the Bill in Committee and who are present in the box today said to the Minister and to the Secretary of State, "It looks good for the moment, but if you want to privatise it and get some sort of price from the market, you had better do it in a hurry." That is why the Bill was suddenly rushed forward.

As my hon. Friend the Member for Rotherham (Mr. Crowther) made clear, once one has unravelled the mystery, the Bill is clearly born of ideology. There is all the familiar rhetoric of liberalisation, competition and the drive for efficiency, but none of that hangs together. The hon. Member for Darlington and I probably agree that yesterday we established that none of that could apply, since privatisation had nothing to do with liberalisation. In this instance, it was the very careful preservation of monopoly. Therefore, there is no reason to expect a privatised British Steel Corporation suddenly to feel the full force of market pressures because nothing will change, except that this time, instead of being publicly accountable, the industry and the corporation will be answerable only to those who want to make an immediate profit.

Throughout the Committee, and again yesterday, the astonishing doctrine was advanced that we need not worry too much about the monopoly which was being enshrined in this form of private ownership because British Steel, even in its new privatised form, would be kept under control by the market pressures exercised by imports. By implication, we were asked to conclude that the level of imports and the penetration of imports in the British market—no doubt that applies across the board to cars, ships and manufactured goods—is nothing to worry about. Indeed, it is to be applauded as a great success of Government policy.

As the tide of imports washes over British industry, closes down British firms and throws British workers on the dole, as the level of import penetration rises for virtually every manufacturing industry, it is to be regarded as a great triumph as part of the Government's much touted but extremely elusive competition policy. They do not have much else by way of a competition policy. We look in vain for the criteria which they might wish to apply. Ever-rising imports are the Government's competition policy. That is an extraordinary doctrine, which certainly is rejected by the Opposition.

Stripped of all the rhetoric and dogma about competition, efficiency and liberalisation, as the right hon. and learned Gentleman made clear in his speech, there is the simple belief, unsustained by any evidence—a gut feeling, no doubt—that it is right for the industry to be in private hands and that the concept of private ownership and the search for private profit, whether it produces better or worse performance, or whether it increases efficiency, do not matter; the mere fact of private ownership and private profit is ipso facto a good thing.

The Minister and his right hon. and hon. Friends are entitled to that view, but we are entitled to ask for a little more evidence. We are not convinced by that simple assertion of faith by Ministers, because we are prepared to look at the experience of the ownership of the industry. We know, and Ministers know, that, historically, the private ownership of the industry has been a disaster. Time and again, private owners have not been prepared to make the long-term commitment and investment in an industry which is essentially cyclical.

It is in the nature of private ownership and private owners and the drive for private profit which is so admired by Ministers, it is in the nature of that attitude towards industrial ownership, that when the going gets rough one bails out, closes down capacity, and abandons the industry. That pays no attention whatsoever to the national economic interest, to the rest of the industry or to

the work force whose livelihoods depend on that industry. That is in the nature of private ownership. Because there is no match between the short-term interests of private owners and the long-term need of the industry for a commitment and an investment pattern to carry on through the troughs as well as the peaks, private ownership has consistently failed the steel industry. That is why we are in no doubt that the Bill must be opposed. We believe that it jeopardises the future viability of an essential British industry.

If the industry were placed at risk, as we believe that it is by this measure, it would matter considerably to the British economy. The Minister recognises—at least, he mentioned it in his speech—the importance of the industry. There were occasions in Committee—we had long debates on this sort of issue—when Ministers and others suggested that the industry has a certain importance but that they can take it or leave it. They seem to think that it is no different from any other industry and that if it went down a little it would not matter. We do not take that view. We believe that it is a strategically important industry. It is perhaps not at the commanding height that it once was because we recognise that new technology and new production methods have introduced new materials and so on. However, it is still an industry of major strategic importance.

There was some debate in Committee as to what was meant by the word "strategic". Effort was made to limit its meaning to its military sense. Of course there is a military sense in which steel is strategically important; I accept that. However, it is strategically important in a wider sense. It is one of the foundations and sinews of our industrial economy. If we were to have a substantially weakened steel industry by virtue of the failures of private ownership, I am certain that we would be dealing a mortal blow to much of our industrial economy.

The Government may be willing to get shot of the industry on almost any terms for reasons of their own ideology. They may be prepared to take that sort of risk with our industrial future. We do not believe that that risk is justified. For the avoidance of doubt—there have been occasions during the passage of the Bill when doubts have been expressed by Conservative Members—let me make it clear—I have the authority to speak on behalf of the trade unions as well—that we are opposed to privatisation. That is why we will vote against the Bill.

It is true that, while repeatedly and firmly making our opposition to privatisation clear, we have also been realistic enough—when we are not realistic enough we are criticised, and quite rightly—to recognise that, with the Government's present majority, it is likely that the Bill will reach the statute book. As well as expressing firmly our reasons for opposing the principle of the Bill, our duty and obligation has been to try to ameliorate its bad effects as best we can. I am sorry to say that we have had little success in doing that, partly because the Bill concentrates on the relatively narrow objective of restructuring the British Steel Corporation, but partly because Ministers simply rejected any argument on the basis of a simple ideology which we reject.

We have tried to ameliorate the short-termism built into the Bill. We object to the emphasis on private profit, the emphasis on profitability now and in the immediate future. We object to the fact that that means that attention is diverted from the investment that is so badly required. We have tried repeatedly in various ways to ensure that investment is recognised as an obligation of the new owners, whoever they may be. The Minister and the Government have resolutely resisted those attempts.

We have been extremely concerned for employee representation in varying ways. The concept of worker directors, which has worked extremely well in the British Steel Corporation until now, is to be lost. Ministers have expressed little concern about that. We believe that that is important and would have been an important amelioration of the Bill.

We are extremely concerned about the inadequate protection against takeovers, particularly foreign takeovers. It is true that the Government brought forward a limited provision on a special share. However, they found themselves constrainted by the requirements of the EEC Commission, and the protection offered is extremely limited and is time-limited as well. Therefore, we do not believe that that is adequate.

Virtually no attention is paid to the pressing and specific problem of Ravenscraig. We have taken the opportunity at every stage during the passage of the Bill to express our concern for the future of that great steel plant. Nothing in the Bill enables us to tell our constituents and those in Scotland who voted for us that Ravenscraig's future is assured. All the evidence and logic is that privatisation is simply a means of shuffling off responsibility for the decision as to Ravenscraig's future and that that decision will be disowned by the Government, when and if the time comes.

There is much to object to in the Bill. As I have said, our attempts to ameliorate it have been largely unsuccessful and that is why we return to the principle. The Government simply do not recognise the obligations of this great industry to the national economy. The Government, for ideological reasons, are blind to the evident risks that are run by handing it over to private owners who have so often failed the industry in the past. We believe that the best future for the industry is in public ownership and that is why we oppose the Bill and will vote against Third Reading.

8.56 pm

Mr. William Powell: I congratulate my right hon. and learned Friend the Chancellor of the Duchy of Lancaster and my hon. Friend the Under-Secretary on successfully piloting the Bill through Second Reading, the Standing Committee, of which I was privileged to be a member, Report and Third Reading. The Bill is of considerable importance to the country and will enable the British Steel Corporation to operate without the shackles that the state has so often imposed upon it.

The hon. Member for Dagenham (Mr. Gould) talked about private ownership being a disaster for the steel companies in the old days. Those of us who served on the Standing Committee will never forget the speech of the hon. Member for Motherwell, South (Dr. Bray) in moving the first of his amendments. I am delighted to see that he is in the Chamber. The hon. Member moved a number of amendments and always made interesting contributions to our proceedings. However, none of his contributions was more interesting than the speech he made on the first set of amendments he proposed. The hon. Gentleman has experience in such matters and he talked about the relationship that existed between the chairman of the

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British Steel Corporation and Labour Governments of which he was a member or with which he was closely associated.

I invite all hon. Members and members of the public to read our proceedings and I should like them to refer particularly to the proceedings in Committee. They should look closely at the speech of the hon. Member for Motherwell, South because it was a seminal speech. It set out the reasons why nationalisation and the relationship between Ministers and the BSC was so disastrous both for Ministers and the corporation. It explained why it is necessary that Parliament should pass a measure that will mean that such things will never occur again. I am fully aware that the hon. Gentleman thought that he was advancing a case in favour of public ownership, but no Conservative Member who heard his remarks will have identified them as anything other than a classic illustration of the reasons why nationalisation has been a disaster for the British Steel Corporation. The Bill will end that once and for all.

I have the privilege to represent a constituency which still has a residual steel interest. My constituents remember with nostalgia the days of Stewart and Lloyd, whose operations in Corby made a profit every year. They are less impressed by the fact that British Steel's operations in Corby have made a loss every year since nationalisation. They recall—how could they ever forget?—that the coupling of Stewart and Lloyd's tube works with the British Steel Corporation led to industrial catastrophe in the late 1970s.

Lest Opposition Members feel that restructuring in the steel industry occurred under a wicked Conservative Government, I remind them that the important day for Corby was 3 March 1979—some two months before the general election that brought this Government to power. It was on 3 March 1979 that British Steel announced that it would close the Corby steelworks. Restructuring has taken place under Conservative and Labour Governments alike.

I do not accept Opposition Members' contention that private ownership has been a disaster for the steel industry —far from it. Private ownership worked, and worked well, in Corby and in many other places. I am certain that when British Steel is privatised, its work force—in Corby or elsewhere—and its shareholders will find that it works much more successfully than it has with the intervention and interference that have been such disfiguring features of nationalisation.

I welcome the Bill, and my constituents will welcome it. I have listened with interest to the Opposition's case against privatisation. I have fought two general elections in a steel constituency—one of them less than a year ago. I never sought to hide the fact that I was in favour of privatisation. Privatisation was not a great issue between my Labour opponent and myself a year ago, although my opponent was a distinguished and popular official of the ISTC. We did not argue about the merits of privatisation. There was considerable discussion of the terms for British Steel pensioners after privatisation—and quite right too. There was considerable concern to ensure that those who work in the industry are given the best possible opportunity to acquire a stake in the industry—and quite right too. However, the fundamental question whether the industry should be in the public or the private sector was not a matter of great party political controversy in my constituency.

I respect the fact that Opposition Members, the ISTC and other unions would prefer the industry to remain in state hands. Nevertheless, I am in no doubt that under the Bill the future prosperity of those who work in the industry will be more assured than it could ever be in the state sector where it would be dependent on all the factors that govern state financing and the public purse.

As I said, I welcome the Bill and I wish it fair speed. I hope that it will receive substantial approbation in another place. All being well, it will reach the statute book before the summer recess and in a few months the steel industry will be returned to the private sector, like so many other industries and with the same success. There is nothing to fear and everything to look forward to in that prospect. The industry can continue to build on the restructuring on which Ministers have insisted in the past few years. With a tried and trusted leadership and an experienced work force, knowing that it has a good future, the prospects for British Steel have never been better.

9.3 pm

Mr. Foot: I may have caused the Chancellor of the Duchy of Lancaster some inconvenience by intervening on a point of order in his speech. I do not necessarily apologise for that, but I should like him to appreciate my excellent reasons for doing so, it seemed to me that he thought that he was appearing on the "Newsnight" programme rather than in the House of Commons, and I thought it courteous to draw his attention to that misapprehension. It is not because I dislike him in any sense, either in the House of Commons or on television. I prefer him to some of his colleagues—particularly the right hon. Member for Chingford (Mr. Tebbit). I do not want to pay the right hon. and learned Member any reckless compliments, but I much prefer him to his right hon. Friend.

I return to that part of the Chancellor of the Duchy's speech that was in order. He referred to the achievement of the steel industry, and he was right to do so. It was one of the factors that led to the presentation of the Bill. On the figures given in recent months, there have been considerable achievements at the British Steel Corporation. Sir Robert Scholey deserves considerable credit for that; he should have been appointed to his current position some time ago, because he was doing most of the real work. He has had the assistance of those who have been prepared to confront the industry's appallingly difficult transformation, which has imposed huge burdens upon the communities involved, such as my own. It is because we in the steel communities know the difference between public and private ownership that we are so bitterly opposed to the Bill, despite the industry's achievements over recent months.

Those considerable achievements would not have been possible, as my hon. Friend the Member for Dagenham (Mr. Gould) so skilfully underlined in his speech, had it not been for the different forms of investment, the greater foresight and the long-term planning which public ownership offers an industry such as steel. I can cite my own constituency by way of illustration. Had it not been for the £70 million or £80 million invested in the tin plate and finishing plant in Ebbw Vale in 1978 and 1979, it

would not have had the slightest chance of surviving into the late 1980s as it has done. I hope that it will carry on for the next 10 or 20 years.

That investment would not have been made—I am certain that the same applies to Ravenscraig and to other places—and carried through, partly under a Labour Government and partly under their successors, at a time when many European steel industries were being knocked out altogether, had it been in private ownership. Yet that investment allowed it to survive and has enabled the Chancellor of the Duchy to talk about a prosperous steel industry.

It was not only that long-term investment which was important to the steel industry. There was all the accompanying investment necessary to carry through the change from the older industries to the new. It is false to make the charge sometimes made against the Labour party, that it was not in favour of those changes. We understood that they were needed in many areas, such as Corby and Ebbw Vale. However, we said that the pace of that change should be one that the communities involved could absorb, and that the rundown should be accompanied by the introduction of new industries in a planned way. I will not say that we carried out that philosophy perfectly, but we undertook it on an intelligent and planned basis, whereby the steel industry itself provided special investment in many of the new industries introduced into those areas.

The Labour Government invented the British industries enterprise scheme. We introduced it as part of the effort to ensure that the rundown of the steel industry should go forward only as we were bringing in new industries. It was all part of our scheme to ensure that the balance was kept and that we should not be thrust through such a change with 25 per cent. unemployment, which is what we have had since 1979-80. It is bad enough to have to try to carry through a change on that scale with the 5, 7 and even 12 per cent. unemployment that existed before 1980, but there is a considerable difference between carrying out such a process on the basis of 12 per cent. unemployment and doing so on the basis of 20 or 25 per cent. unemployment, which is what we have had ever since 1979-80.

We had a much better idea of how the change should be carried through. Part of it was that the money allocated to the steel industry, and part of the investment programme, should be accorded to the planning. I remember Mr. MacGregor coming in with all his brilliance and foresight and saying, "We cannot have anything to do with this. It is not the Government's business to provide the other industries. We must concentrate solely on the market." That was the only test that he was able to provide. We stopped him doing it then, and even the present Government stopped him applying the same doctrines to the coal industry a little later. He did enough damage in many other directions, but we checked much of the damage at that time.

If the Chancellor of the Duchy of Lancaster had studied these matters a little more carefully, he would never have brought forward a Bill which does not take into account all the other aspects of the effect on the steel communities and the communities that still have to carry through many of these changes. We will oppose the Bill bitterly and will vote against it, which will not surprise the right hon. and learned Gentleman. When a new Labour Government come in—which I trust will happen very soon—one of their major objectives will be, I am sure, to restore to our communities which have been so ravaged by the right hon. and learned Gentleman and his friends the compassionate, intelligent, long-term planning that only public ownership can provide in such great industries.

9.12 pm

Mr. Fallon: First, let me clear up the misapprehension on the Opposition Benches that the contents of the Bill were not foreshadowed in the Conservative manifesto. The quotation from the manifesto—I am trying to help my right hon. and learned Friend the Chancellor of the Duchy—runs as follows:

> "We will privatise more state industries in ways that increase share-ownership, both for the employees and for the public at large."

Let there be no doubt on Conservative Benches that the Bill is fully consistent with the aims of our manifesto. I know that my right hon. and learned Friend prides himself on being on the more radical wing of our party, and he may think that he is in advance of that manifesto, but the plain fact is that the proposals to privatise British Steel are fully consistent with our manifesto and do not result from any last-minute decision during the autumn.

Mr. Gould: I am grateful to the hon. Minister—*[Laughter.]* I am grateful to the hon. Gentleman—he may well become a Minister. As he seems so much more familiar with the hidden meaning of the opaque words that he has just read out, perhaps he could enlighten us on what other specific industries not yet mentioned in any Queen's Speech, or figuring in any legislation, that form of words now covers. Clearly, he can enlighten his right hon. and hon. Friends on his own Front Bench as well as the rest of the Chamber.

Mr. Deputy Speaker: Order. I have allowed every hon. Member a preamble, and I hope that the hon. Gentleman, if he is going to respond, will do so briefly.

Mr. Fallon: The hon. Member for Dagenham (Mr. Gould) will have observed—certainly, he will have done so by 10 pm—that the number of state industries is diminishing. All that I will say is that it ought to be further diminished.

We are now reaching the end of Report and Third Reading, and I feel that we are entitled to wonder yet again at the generosity of my right hon. Friend the Leader of the House in allocating two full days to the Report stage. I appreciate that there may have been some embarrassment on the Opposition Benches about the meagre part played by Opposition Members in Committee, as a result of which we have had to stretch out the proceedings over two days. Barely half a dozen Opposition Members have been present and they have presented a string of muddled and inconsistent amendments.

Opposition Members said, first, that they opposed privatisation. Then they tabled an amendment calling for a Celtic steel company comprising the Ravenscraig and Welsh plants. They then complained that the British Steel Corporation would be a monopoly, yet, a few hours later, they moved an amendment requesting that it be protected from competition and takeover. They then said that there was no demand for shares, yet, a few hours ago, they moved an amendment suggesting that one third of all the shares should be given, in trust, to the work force. That is a wholly inconsistent and muddled approach.

[Mr. Fallon]

I do not want to labour the Labour party policy, because that would stretch the rules of order on Third Reading. This is not simply a debate between the Front and Back Benches. The steel workers in my constituency will study the Bill carefully when it is passed. The first question that will occur to them is what will happen to the Act if a Labour Government ever come to power again. Will it be repealed? What will be the policy of an incoming Labour Government? I appreciate the difficulties of the hon. Member for Dagenham in completing his series of speeches, listening to the New Zealand Minister for Finance and working on his economic review, but he owes it to the steel workers in my constituency to leave them in no doubt that the industry will not be renationalised if a Labour Government come to power.

As my hon. Friend the Member for Corby (Mr. Powell) well illustrated, the BSC work force is now in much better shape than Her Majesty's Opposition. The work force understands the requirements and is looking forward to being a great private British company.

There will be no greater welcome for the change than on Teesside. It should not be forgotten that many of the steel plants are in areas of high unemployment and assisted areas in Scotland, Wales and the north. For far too long, those areas have depended on the decisions taken by politicians in London which have then been overruled by Treasury Ministers or civil servants. Why should not people in those areas and working in those industries have the same freedom and opportunities to progress, to manage their businesses and to make a success of those industries, free from bureaucracy and control?

The Bill is part of that process, and clauses 1 and 10 have implications for a company in my constituency, which is a perfect illustration of why the corporation should now pass into private ownership. Darlington and Simpson rolling mills is a major company, half owned by British Steel and half owned by Norcros, a company that enjoys the benevolent chairmanship of my hon. Friend the Member for Wokingham (Mr. Redwood).

That half-and-half ownership means that all the key decisions on investment, management, exploring new markets and developing new technologies have to be referred to two different owners and two different managements. It is impossible for the management and work force of that company to be in charge of their own destiny. When the Bill is enacted, that company will be free to build up its own sales, to explore new markets and to develop new technologies without being partly answerable to state bureaucrats in London.

The Bill is important for the regions and, above all, for our economy and for those who work in the steel industry. Had I been told even in 1983 that within five years the BSC would be passing on to the open market I might have had my doubts. It is an enormous achievement. It is a testimony to the strength of the economy, the strength of our commitment to free enterprise, and above all, to the Department of Trade and Industry, the Department for enterprise, that in a single parliamentary Session, with the passage of the Bill, the BSC will join parts of British Shipbuilders and the Rover Group in the market sector. Places that we thought were trapped for ever in the dependency culture—Longbridge, Govan and Ravenscraig—will now be free-standing parts of successful companies.

It is an achievement not only for Ministers, but, above all, for the work force. The BSC work force made the transformation possible. The improvements that it has succeeded in making in productivity and performance, the necessary job losses that it had to accept and its commitment and enthusiasm are the best possible guarantee of the success of the sale of this corporation.

Conservative Members salute that achievement in passing the Bill. It is a crying shame that Opposition Members cannot likewise salute our British steelworkers.

9.20 pm

Mr. Hardy: The Treasury Bench will be grateful to the hon. Member for Darlington (Mr. Fallon), but I do not know whether the steel workers of Darlington will be. The hon. Gentleman told the House what he would say to them, and he asked us what we would say to our constituents who may be adversely affected by this measure.

I wonder whether he will tell his steelworkers—I shall certainly tell mine—that the Bill offers serious disadvantages to them and perhaps to Britain. For example, the Bill's horizon is five years and there is no certainty beyond that. There is no certainty about investment, or the future of research and development or ownership. The hon. Gentleman may be happy to see others come and buy his steelworks and make his workers dependent on those who may not have this country's interests at heart, but we are certainly not.

My hon. Friend the Member for Rotherham (Mr. Crowther) and I are anxious about the future of United Engineering Steels' Rotherham works. I recall, as my hon. Friend, who was then the mayor, will recall, the considerable demonstration of co-operation between management and workers when we set up the Thrybergh bar mill and broke world records, which are still held, for production and the speed of commissioning. That was not achieved because we had some peculiar owner who was not even identifiable. It was done because workers and management together recognised that they could make a substantial contribution to the national interest. Where will that motivation be when this Bill becomes law and the BSC has been privatised?

The hon. Gentleman may feel that he is doing the workers a favour by offering them £70-worth of shares free. My workers in the Thrybergh bar mill in Aldwarke and those working in Concast in my hon. Friend's constituency would prefer to know that investment would continue and be aware that management would be responsible to them and the nation rather than to some foreign interest which may not even want the British steel industry to survive. That fear may well not be compensated for by £70 of free shares.

Ministers have sought to distract our attention by asking what the Labour party policy is. I hope that it will continue to be a commitment to ensure that the United Kingdom creates wealth. That must be the priority of my party. That aim has been sadly neglected throughout the 1980s. The Government and the Conservative party have been eager not to give priority to the creation of wealth,

but to give rewards and recognition to those who shift money about. In my area, we do not have much money to shift about.

The hon. Member for Brigg and Cleethorpes (Mr. Brown), who was smiling a moment ago when I referred to the need to create wealth, may be seeking in his way to undermine the capacity of areas like mine to maintain their wealth. I notice that he removed himself rapidly from a steel constituency at the general election. His footwork may be admirable, like that of many other practising politicians on the Conservative Benches, but the commitment and wisdom which they have revealed, and continue to reveal in the Bill, will ensure that the steelworkers in their constituencies, or in his case in the constituencies nearby, will realise that the Government have no commitment to Britain, to wealth, to markets, to research and development or to ownership and very little commitment to anything which we regard as a necessary long-term consideration of this essential industry.

9.25 pm

Mr. Tim Janman (Thurrock): Like my hon. Friend the Member for Corby (Mr. Powell), I served as a member of the Standing Committee and I add my congratulations to the Chancellor of the Duchy of Lancaster and to the Under-Secretary of State for guiding the Bill through Second Reading, Committee and now Third Reading.

It was an interesting Committee to take part in, not just because there were many occasions on which a new Member like myself could observe how Opposition Members tested the Chairman's patience as to how far they could extend the elasticity of the remit of the matter under debate.

Another interesting aspect was that a high proportion, if not 100 per cent., of the New Zealand contingent of the British parliamentary Labour party were members of the Committee. In the light of the recent speech of the Finance Minister for New Zealand, and because of the general drift of the policies of the Labour Government of New Zealand over the past few years, throughout the Committee we hoped that part of the enlightenment which has got through to the Socialist Administration in New Zealand would reach the heads of the Opposition Front Bench spokesmen. Alas, we still wait.

Mr. Michael Brown: I can give my hon. Friend some help. There is a rumour that the hon. Member for Great Grimsby (Mr. Mitchell), who entertained us well in Committee, is about to go to New Zealand. Perhaps he will find out how things should be done and come back with the correct solution.

Mr. Deputy Speaker: Order. Every hon. Member has been allowed a little preamble, but I remind the House that we are dealing with the Third Reading of the British Steel Bill in the United Kingdom, not with anything in New Zealand.

Mr. Janman: I thank my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown) for his intervention. I hope that when the hon. Member for Great Grimsby (Mr. Mitchell) comes back he will reflect on the statement which he made in the House last night, that the Opposition remained totally opposed to denationalisation of the British steel industry. If the Opposition are honest with themselves, with us and with the country, they should continue to make it clear that in their gut they are still totally committed to nationalisation of the key core industries. Because they know that the vast majority of the electorate understand that nationalisation has been a recipe for complete economic failure, they dress it up with fancy terminology to try to hide from the electorate the fundamentals of their industrial policies.

Mrs. Margaret Ewing *rose*——

Mr. Janman: I will not give way, because time is short and other hon. Members wish to speak.

It is not the Government who are ideological. We believe in the natural way of doing things. The use of economic resources should be dictated by customers, investors, shareholders and the people who manage industry in recognition of the competitive forces and the profit motive that guide them. We are not the party that is ideological. We do not believe that these key industries should be run by politicians and bureaucrats, with decisions being made for short-term political gain rather than long-term economic considerations and prosperity.

The point has often been made in this debate that in some ways the steel industry is different: it is a large industry; it is too big for the private sector to run it efficiently and effectively. What drivel. Many industries throughout the world have major private companies within them and they are being run very successfully—for example, the aircraft, motor vehicle, and computer industries. There are British examples in all those industries.

I welcome the Bill and add my support to it. It will enable the British Steel Corporation to be added to the long list of privatisation successes that this Government have to their name. The quicker that privatisation takes place, the better.

9.30 pm

Mrs. Margaret Ewing: I am grateful for the opportunity to speak on Third Reading. I apologise to the House for the fact that I was not able yesterday to attend the first day of the Report stage as I was recovering from an illness. I have listened with interest to some of the comments made on Third Reading. I am concerned that there appears to have been little movement by the Government on the future of the steel industry since Second Reading.

The Government claim that they are listening to the views of the population, but it seems that in this case they have not listened very carefully, and certainly have not been seen to act. There is little recognition of the significance of the steel industry, not just in Scotland, but throughout the United Kingdom economy. Although I speak from a Scottish perspective, I understand the significance of the steel industry to many hon. Members' constituencies in England and Wales. I have listened to their views with respect.

There is a symbolism about the steel industry which is perhaps difficult for many people to take on board. Symbolism may be something which many people do not accept should be argued in the House. However, the symbolism of British Steel is something that we should understand. If the Prime Minister talks of particular items of legislation as being flagships, she is talking in symbolic terms. When we talk about this industry, why cannot we place a similar emphasis on the symbolism of it to many parts of the United Kingdom?

[Mrs. Margaret Ewing]

I do not speak as a sycophantic follower of the idea of public ownership. My party has always stood for a combination of private and public ownership. Over the years, when there has been nationalisation and centralisation of various public assets within the United Kingdom, too often they have been at the expense of places such as Scotland, Wales or the north of England.

We are seeing almost the reverse of that coin in the privatisation of the steel industry, when I believe we shall see a continuation of centralisation. There is little doubt in my mind that privatisation will mean that the steel industry will fall into the hands of the people with money in this country—the people in the south-east of England. After all, that is the money centre of the economic world. The Government are more concerned with profits than with people. But we are talking about the future of the people employed in the steel industry.

I have not heard throughout the Second Reading, Committee, Report or Third Reading stages anything from the Government that convinces me that the interests of the people working in the steel industry are being taken to their heart. We are almost playing a Monopoly game, where the Government are saying to the workers in the steel industry, "This is a Monopoly game. Do not pass go; do not collect your shares; go directly to the unemployment benefits office." That is not the sort of message that should come from this House. Many people who work in the steel industry fear that the privatisation of the industry will mean further unemployment. We heard earlier that 134,000 people have been made redundant in the steel industry since 1979. How many more people's jobs will be lost as a result of this legislation?

In all seriousness, I advise Conservative Members to remember what happened in the wake of the closure of Gartcosh in Lanarkshire. One of the more senior members of their party, a former chairman of their parliamentary candidates committee, resigned. He was also the proponent of the idea that Conservative policies should be expounded more seriously and effectively in Scotland. However, he resigned because of the closure of the Gartcosh steel works. That man was Iain Lawson who, together with the hon. Member for Motherwell, North (Dr. Reid) and many other people, walked to Downing street to argue against the closure of Gartcosh.

The kind of arguments that have been put forward by Conservative Members during the passage of this legislation will ensure not only that people of the calibre of Iain Lawson will resign from the Conservative party and join the Scottish National party, but that the Conservative party will not revive in Scotland. I am sure that the hon. Members for Motherwell, North and for Motherwell, South (Dr. Bray), who have spoken so eloquently in all the stages of this legislation, have echoed the sentiments of many people in Scotland that the Conservative Government are not holding out any hope for the steel industry in Scotland.

As I have said, I am not taking a sycophantic approach to the idea of public ownership. However, I believe that the steel industry in Scotland did have a future in public ownership and that, by putting it into private ownership, the Government are tolling its death knell. For that reason, my colleagues and I will vote against the privatisation of the industry and against the Bill because we have heard nothing in the last few months to give us any confidence that the Government are holding out hope for people in the Scottish steel industry.

9.37 pm

Mr. Geoffrey Dickens (Littleborough and Saddleworth): It is important that hon. Members remind themselves that before the Conservative Government came to power there was no hope for the continuation of the British steel industry. The industry was uncompetitive. It took about seven man days for every tonne of steel produced, compared with three man days for South Korea and Japan. People who sought to win competitive orders from around the world sought to buy their steel from British Steel. They asked British Steel to sharpen its pencils and get the price right so that they could buy from it, only to find that British Steel could never match the prices that could be obtained abroad.

British Steel was on a slippery slope. The taxpayers were, if I remember correctly, putting about £600 million a year into the steel industry in subsidies. That was unfair to the private steel industry, which was having to compete against the subsidised national steel industry.

As a commercial director, I have personal experience of trying to buy many thousands of tonnes of steel from British Steel. I wished to place my orders with British Steel, but I found that it could not match foreign prices. I had to win international contracts abroad against fierce international bids. We won those contracts, but we had to get the steel at the right price to meet the bid price with which we had won the contract. Until Mr. MacGregor was appointed and sorted out the steel industry, British Steel had no hope of survival.

I remember the day when we voted £75 million to help soften the blow of redundancies and to enable proper entitlements and rewards to be given to those who had lost their jobs. We could not afford to have overmanning and restrictive practices, because they would not allow us to compete with the rest of the world.

Opposition Members have short memories. When I first became a Member of this place I remember that the Chamber was packed when there was a steel debate. On those occasions the Opposition Benches were full. Since then the credit of Opposition Members has been lowered and we have only a handful of Opposition Members in their places for this important debate.

I want to be fair to the Opposition because they have the next business and I am aware that if I detain the House I shall be losing them precious time. I wish to be brief, but the clear message must be issued that if it had not been for a Conservative Government there would have been no hope for our steel industry. The industry now has a rosy future. There is staff security, and steel is being delivered at the right quality and standard and at the right price. That is accompanied by a good after-sales service. All these elements are now right because a Conservative Government came to power and had the guts to ensure that the industry was sorted out. It has been sorted out to such advantage that it is ready for privatisation. Let there be some entrepreneurs and risk takers moving into British Steel. Let us give the workers a better future, along with the industry and the country, by voting for the Third Reading.

9.42 pm

Mr. Bell: It is always a pleasure to be called to speak after the hon. Member for Littleborough and Saddleworth (Mr. Dickens), a future Prime Minister, has spoken. I shall follow with great interest the hon. Gentleman's career over the next few years.

It is right that the authentic voice of Teesside should be heard this evening. The hon. Member for Darlington (Mr. Fallon) represents the authentic voice of Durham. I want the authentic voice of Teesside and Middlesbrough to be heard so as to echo the roar from Ayresome park as the play-off takes place for the first division. As extra time is being played in Middlesbrough, so we come to the final in our debates on the Bill.

We have had an interesting debate, but it seems that the Chancellor of the Duchy of Lancaster and Conservative Back Benchers wish to speak about Opposition policies and how the Opposition will run the economy when we come to power rather than direct attention to the real reason behind the Bill. Although we have not had it explained to us by the Chancellor of the Duchy of Lancaster or Conservative Back Benchers, the Bill is before us so that the Government can secure another £2,000 million to assist the British economy and to keep the public sector borrowing requirement in credit rather than deficit. The Government have announced tonight that the PSBR is £925 million in credit, and their rush to get the Bill on the statute book reflects their desire to obtain another £2,000 million next year so that the books can be balanced.

I am reminded of the occasion when ICI's Sir John Harvey-Jones came to Middlesbrough when a local bank opened a new branch. When I asked, "What are you doing here?" he said, "I am here for the same reason as you, except that my overdraft is bigger." The British Government run no overdraft and ICI has an overdraft of about £5,000 million. A successful company is prepared to borrow to invest in its future, but the Government sell their assets and the shares of the British people to make money for those in the City, not for those who invest in industry on Teesside.

People on Teesside are interested in the Bill. The hon. Member for Corby (Mr. Powell) said that during the last election there was no discussion about the privatisation of the steel industry except for pension rights, but there is deep concern and anxiety on Teesside about the consequences of privatisation.

I remember going to the United States many years ago and seeing what had happened to the steel town of Birmingham, Alabama and the steel towns of Pennsylvania. There was no investment by the state, and the steel industry was left to run its own affairs as a private industry. Japanese competition came in and laid low those steel towns, decimating the industry and making thousands unemployed.

The hon. Member for Darlington referred to the possibility of greater private sector participation in steel in Darlington, but my hon. Friend the Member for Wentworth (Mr. Hardy) asked what would happen if the growth did not come about. Steel is a cyclical industry, and there would certainly be more redundancies. What will happen if a multinational firm buys this global outpost in Darlington and decides to close it down when the next recession arrives?

It is not true that people in the steel industry are asking what a future Labour Government will do; they are asking how they will fare under privatisation. What will happen when the investment does not come? What will happen to their jobs, their investment in their work and their future? Those are the questions being asked on Teesside and such concerns were never alleviated in Committee, when we never had a straight answer to a straight question from a Minister. Ministers read the briefs that had been prepared for them but made no positive statements to explain, highlight or illuminate the contents of the Bill.

I associate myself with the Opposition Front Bench. We shall oppose the Bill and bring forward our own common ownership proposals at the next general election. We shall see how our industries should be governed and run when the European single market arrives. We shall examine the future with some reflection and certitude and put people in the industry first, not the City slickers who are waiting for the shares to come on the market.

9.47 pm

Mr. Morley: Tonight we have heard no justification for selling British Steel, because British Steel stands wholly justified as it is. If it is compared with any private steel company in Europe or the rest of the world, it can be seen to be out-performing them. It is making more profit and is more productive than any of its rivals. How can Conservative Members argue that public ownership has been a failure, when the BSC is a monument to the success of public ownership? It is so because it was given the investment that it needed.

The reward for people who work in the BSC is a patronising pat on the head to show them how well they have done and a tip of £70 as they are shown the door to an uncertain future. While it remains in public ownership, the BSC has a guaranteed future, and so do the people who work in it. The supply of steel to our industry is guaranteed, as is long-term planning for industry. Now we are faced with uncertainty.

No Conservative Member can give any guarantee that the BSC will prosper as a privatised company. That is the BSC's reward for reaching profitability. Why throw it all away? It is wrong for the Chancellor of the Duchy of Lancaster to dismiss the £5 billion that have gone into British Steel as money that is to be forgotten and cannot be recovered. While the BSC remained in public ownership, that money would have been recovered because the taxpayers would have received the return on their investment that has been wiped out by the Government.

The case for public ownership has been proved and the Government have failed to make their case for throwing the industry into uncertainty. I point out to the hon. Member for Corby (Mr. Powell) that the argument about privatisation was very much an issue in my election. That is why Scunthorpe has a Labour Member of Parliament after eight years of Tory control. The people of Scunthorpe saw a Labour Member of Parliament as more likely to protect their interests and their future. They are not wrong and I am glad to be here arguing to protect their long-term interests because the Government do not care.

9.50 pm

Mr. Morgan: Conservative Members have presented us with a series of wondrous paradoxes. There has been an

[Mr. Morgan]

almost obsessive interest not in the purpose of the Bill but in what the response of the Opposition will be at the next election. Conservative Members seem to have invented a new principle. They seem to say that, since they did not put this measure in their manifesto, they have a right to claim that we must put some measure about steel in our next manifesto.

The hon. Member for Darlington (Mr. Fallon) said that in the steelworks in his constituency, the Darlington and Simpson rolling mills, one of the consequences of privatisation will be that his steelworkers will be able to govern themselves up north and will no longer have to refer to an overweight corporate bureaucracy in London. He told us that a 50 per cent. share in the Darlington and Simpson rolling mills was owned by Norcros. He also told us with great pride that the chairman of Norcros is the hon. Member for Wokingham (Mr. Redwood). When his steelworking employees want to see their chairman and do not want to see anybody from an overweight bureaucracy down south, they will merely have to come to London. In between his demanding duties as an hon. Member and his duties for Rothschilds, the hon. Member for Wokingham may be able to spare five minutes of his time. That is a wonderful example of UDI for the north of England.

We had a wonderful last-minute intervention by the hon. Member for Littleborough and Saddleworth (Mr. Dickens). He was not seen in the earlier part of the debate and was not in the Committee, but he wanted to demonstrate his expertise in how to make corporate bodies lean and hungry. His eagerness to do that was more than I am prepared to speculate.

Mr. Dickens: I have a great affection for the hon. Member for Cardiff, West (Mr. Morgan), particularly as he gave way. The hon. Gentleman mentioned his hon. Friend the Member for Workington (Mr. Campbell-Savours) but I think that he meant my right hon. Friend the Member for Woking (Mr. Onslow) I would not like to steer the hon. Gentleman in the wrong direction.

Mr. Morgan: The right hon. Member for Woking (Mr. Onslow) sits on the Government side and my hon. Friend the Member for Workington (Mr. Campbell-Savours) normally sits behind me and I was perfectly clear on identity.

The Chancellor's speech was the most paradoxical of all the speeches about the purpose of the Bill. He said that its purpose is to stop politicians interfering incompetently in the industry. We realise what he meant and it was perfectly clear from his speech that he takes no interest in this industry. The Fe content of his speech was about 30 per cent. He attempted, as all good lawyers do when they have a lousy case, to use the ad hominem argument. He simply attacked the Opposition and attempted to demonstrate his new-found desire to be the Vinny Jones of the Government Front Bench.

The Minister spoke about the steel industry for about one third of the time. It is obvious from that that the Government are not interested in the steel industry. They are saying that they will be happy to get rid of it now and that it bores them. They do not want to know about it and if they can get any kind of return for it they will get shot of it. They say that, even though it was not in the Queen's Speech or in the manifesto, they want to get rid of it now. They are saying that the industry does not interest them in the long, short or medium term.

9.53 pm

Dr. Reid: As my hon. Friend the Member for Cardiff, West (Mr. Morgan) has said, we have seen some extraordinary spectacles in the debate. When the hon. Member for Littleborough and Saddleworth (Mr. Dickens) rose I assumed that a witches' coven had been formed at Ravenscraig, because I do not remember him making a contribution or showing an interest at any earlier stages in the steel debate.

An even greater revelation was the hon. Member for Darlington (Mr. Fallon), who attempted to shroud his support for the Bill in calls for decentralisation, devolution and at one stage workers' participation. He stopped just short of all power to the Soviets. None of those reasons will be accepted by the Opposition as the real reason for the Bill. No reason at all for it was to be found in the Minister's speech. I was looking for a word to describe the Minister's speech. "Vacuous" sprung to mind, but I thought it was a little too substantial. There was nothing in that speech to justify privatisation of steel, and, as my hon. Friend the Member for Cardiff, West said, the Minister spent three quarters of his speech searching for solutions to the future problems of the industry by demanding answers from my hon. Friend the Member for Dagenham (Mr. Gould).

The Minister claimed that the Bill was well thought out, despite the fact that he did not know how the company was to be floated, when it was to be floated, what price would be asked or to whom it was to be sold. The process of the enabling Bill was described by my hon. Friend the Member for Dagenham as a mystery. That was a gross understatement. The Bill fulfils every criterion of Churchill's definition of the Soviet Union. It is a mystery within an enigma, wrapped up in a riddle. That applies to both the reasons and the process for the sale of British Steel.

The Minister told us that there was no write-off of debt, but a trading loss; but no write-down of the taxpayers' capital, but a restructuring. I thank the Minister for his advice. Tomorrow morning, I will phone up the hire purchase company to say that I do not have a debt, I merely have a continuing trading loss and I shall discuss with my bank manager the fact that I would like a restructuring of my mortgage to ensure that it is written off.

A more simple and straightforward word was used earlier. The Bill is a swindle. It represents half the public dividend capital value, a write-off of debts and a snub to the taxpayer. It is the product of prejudice and dogma, not of good, long-term policy thinking. It was not in the manifesto or in the Queen's Speech. The only justification for it was the Minister quoting a colleague saying, "At some stage, somebody once said it."

We also had the offer that one phrase in the Queen's Speech refers to "other measures". As far as we can make out, that would justify the declaration of war tomorrow by the Government, on the basis that it was in the Queen's Speech. The Bill is the Government's responsibility. They have refused every amendment. Should the predictions

about Ravenscraig or the steelworks in Lanarkshire come true, the responsibility will rest fairly and squarely on the Government.

9.57 pm

Dr. Bray: In their different ways, both sides of the House want to be rid of the Bill, but it has some lessons for us. We need to give more attention to monopoly and competition policy and their effect on jobs and output as well as on profit. For the industry, the lessons are that it needs to give continuing attention to the rapid changes that are still taking place in the market, technology and the national and international economic environment and, above all, to give more attention to its people and the communities in which it lives.

The Minister and the House need to give more attention to our relations generally with the industry. It is a misapprehension to suppose that the mere act of privatisation discontinues that relationship. It is like supposing that a floating exchange rate abolishes foreigners. Even if the Chancellor of the Duchy of Lancaster shuts his door, his eyes and his ears, he will find that the chairman of BSC and his successors will come along to knock on his door about a dozen issues. This will not be the last steel Bill that comes to the House. Whatever the results of the next election, if only to win another 22 years before the next major steel Bill, I urge the House to reject the Bill.

9.58 pm

Mr. Atkins: We have had an interesting debate, and I suspect that the House will not wish me to detain it for long. I am rather sad that one of the Opposition Members who participated at some length in our Committee debates —the hon. Member for Great Grimsby (Mr. Mitchell)— cannot be here today. I am sure that he has a good reason for that. He would have enlivened the Third Reading debate in the way that he enlivened the Committee debates, largely by the number of fairy stories with which he regaled us. Members of the Committee may recall and the House may be interested to know about Godzilla and about the bardic steamroller to which he referred. That just about sums up the quality of the debate offered by the Opposition.

We have heard from the Motherwell mafia, the hon. Members for Motherwell, North (Dr. Reid) and for Motherwell, South (Dr. Bray), the harbingers of doom who last night, finding themselves pushed to a Division by the SNP, had to abstain on their own amendment. Such is the commitment and the concern about the so-called controversial issue. We heard about capitalism and labour from the hon. Member for Middlesbrough (Mr. Bell)—

It being Ten o'clock, the debate stood adjourned.

BUSINESS OF THE HOUSE

Ordered,

That at this day's sitting, the British Steel Bill may be proceeded with, though opposed, until any hour.—*[Mr. Ryder.]*

Question again proposed, That the Bill be now read the Third time.

Mr. Atkins: We also heard from the hon. Member for Dagenham (Mr. Gould) about the designer Socialism which he is seeking to create for the Labour party. In the context of the debate on the enabling Bill for the British Steel Corporation, he did not tell us exactly what the Labour party will do for the future. We have had to admire him, because he has talked about everything except the issue. We have not heard whether the Labour party will renationalise the BSC, and the House is aware of that fact. [HON. MEMBERS: "Long speech."] If Opposition Members seek to provoke me, I could refer to a great deal more. Since they well know that their prayer follows this debate and that Scottish Labour Members have delayed my winding up, they had better be very careful.

There were interventions from my hon. Friends the Members for Darlington (Mr. Fallon) and for Corby (Mr. Powell), both of whom know what they are talking about —one was a member of the Committee, and the other represents a constituency which contains a steel-processing plant. Conservative Members will agree that their contributions were a succinct summary of why we believe that the Bill is the right way to go.

Above all, the speech that sums up the Opposition was from the right hon. Member for Blaenau Gwent (Mr. Foot), an extremely distinguished Member. At least we know where we stand with him. The traditional view of old-fashioned Socialism rules supreme. Nothing changes; steel must always be nationalised and must be in public ownership. However, as hon. Members will remember, steel had its problems in his day. Does the right hon. Gentleman not remember the closures at Ebbw Vale when he was Secretary of State for Employment which made him somewhat unpopular because of the difficulties faced by the steel industry at that time?

Steel has had its difficulties in public ownership and doubtless will in future. However, we have brought the Bill to the House, we have been through Committee and have reached Third Reading, because we believe that the future is very bright indeed.

Mr. Tim Devlin (Stockton, South): Just before my hon. Friend finishes, does he agree that the Bill will be extremely good for regions such as mine in the north-east, because it will give the competitive management on Teesside a great deal more scope for its imagination in the years to come, and provide wider share ownership in a region which needs further encouragement for enterprise and weaning from the bosom of the state?

Mr. Atkins: Like my other hon. Friends, my hon. Friend the Member for Stockton, South (Mr. Devlin) makes his point extremely well.

We look to the future and seek to give British Steel the means to secure lasting success for itself, for employees and for shareholders, and in so doing to contribute to the national interest. The company must have the freedom to make rapid decisions and to adapt to a changing market. I am confident that, as a private sector company, British Steel will do the nation proud. The Bill marks the first step in the privatisation process, and I commend it to the House.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 263, Noes 199.

Division No. 312] **[10.04 pm**

AYES

Adley, Robert	Amess, David
Aitken, Jonathan	Amos, Alan
Alexander, Richard	Arbuthnot, James
Allason, Rt Hon Michael	Arnold, Jacques *(Gravesham)*
Allason, Rupert	Arnold, Tom *(Hazel Grove)*

Ashby, David
Atkins, Robert
Atkinson, David
Baker, Rt Hon K. (Mole Valley)
Baker, Nicholas (Dorset N)
Baldry, Tony
Barnes, Mrs Rosie (Greenwich)
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bennett, Nicholas (Pembroke)
Benyon, W.
Biffen, Rt Hon John
Bigge-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. (Brighton K'pto'n)
Bowden, Gerald (Dulwich)
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael (Brigg & Cl'Y'x)
Bruce, Ian (Dorset South)
Buchanan-Smith, Rt Hon Alick
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, (Luton N)
Carlisle, Kenneth (Lincoln)
Carrington, Matthew
Carttiss, Michael
Cartwright, John
Cash, William
Chapman, Sydney
Chope, Christopher
Clark, Sir W. (Croydon S)
Clarke, Rt Hon K. (Rushcliffe)
Colvin, Michael
Conway, Derek
Coombs, Anthony (Wyre F'rest)
Coombs, Simon (Swindon)
Cope, John
Couchman, James
Cran, James
Currie, Mrs Edwina
Davis, David (Boothferry)
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Emery, Sir Peter
Evans, David (Welwyn Hatf'd)
Evennett, David
Fallon, Michael
Farr, Sir John
Fenner, Dame Peggy
Field, Barry (Isle of Wight)
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forsyth, Michael (Stirling)
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Greenway, Harry (Ealing N)
Greenway, John (Ryedale)
Gregory, Conal
Griffiths, Sir Eldon (Bury St E')
Griffiths, Peter (Portsmouth N)
Grist, Ian
Ground, Patrick
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie (Epsom)
Hamilton, Neil (Tatton)
Hampson, Dr Keith
Hannam, John
Hargreaves, A. (B'ham H'll Gr')
Hargreaves, Ken (Hyndburn)
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Heyhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Mrs Maureen (Wolv' NE)
Hicks, Robert (Cornwall SE)
Higgins, Rt Hon Terence L.
Hill, James
Hordern, Sir Peter
Howard, Michael
Howarth, G. (Cannock & B'wd)
Howell, Ralph (North Norfolk)
Hughes, Robert G. (Harrow W)
Hunt, David (Wirral W)
Hunt, John (Ravensbourne)
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym (Cardiff N)
Jones, Robert B (Herts W)
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Rt Hon Tom (Bridgwater)
Kirkhope, Timothy
Knapman, Roger
Knight, Greg (Derby North)
Knight, Dame Jill (Edgbaston)
Knowles, Michael
Knox, David
Lang, Ian
Lawrence, Ivan
Lee, John (Pendle)
Lilley, Peter
Lloyd, Sir Ian (Havant)
Lloyd, Peter (Fareham)
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
Macfarlane, Sir Neil
MacGregor, Rt Hon John
MacKay, Andrew (E Berkshire)
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. (Newbury)
McNair-Wilson, P. (New Forest)
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marlow, Tony
Marshall, Michael (Arundel)
Martin, David (Portsmouth S)
Mates, Michael
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew (Gedling)
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David (Taunton)
Nicholson, Emma (Devon West)
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Owen, Rt Hon Dr David
Page, Richard
Paice, James
Patnick, Irvine
Patten, Chris (Bath)
Patten, John (Oxford W)
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry (Wirral S)
Porter, David (Waveney)
Portillo, Michael
Powell, William (Corby)
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Ridsdale, Sir Julian
Roe, Mrs Marion
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Shaw, David (Dover)
Shaw, Sir Michael (Scarb')
Shelton, William (Streatham)
Shephard, Mrs G. (Norfolk SW)
Shepherd, Richard (Aldridge)
Sims, Roger
Smith, Tim (Beaconsfield)
Soames, Hon Nicholas
Speller, Tony
Spicer, Michael (S Worcs)
Squire, Robin
Stanley, Rt Hon John
Stern, Michael
Stevens, Lewis
Stradling Thomas, Sir John
Summerson, Hugo
Taylor, John M (Solihull)
Thompson, D. (Calder Valley)
Thornton, Malcolm
Thurnham, Peter
Townsend, Cyril D. (B'heath)
Twinn, Dr Ian
Vaughan, Sir Gerard
Waddington, Rt Hon David
Walker, Bill (T'side North)
Walters, Dennis
Widdecombe, Ann
Wiggin, Jerry
Wilshire, David
Wood, Timothy

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Alan Howarth.

NOES

Abbott, Ms Diane
Adams, Allen (Paisley N)
Allen, Graham
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Hilary
Ashley, Rt Hon Jack
Ashton, Joe
Banks, Tony (Newham NW)
Barnes, Harry (Derbyshire NE)
Barron, Kevin
Battle, John
Beckett, Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bermingham, Gerald
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon (D'mline E)
Brown, Nicholas (Newcastle E)
Bruce, Malcolm (Gordon)
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Menzies (Fife NE)
Campbell, Ron (Blyth Valley)
Campbell-Savours, D. N.
Canavan, Dennis
Carlile, Alex (Mont'g)
Clark, Dr David (S Shields)
Clarke, Tom (Monklands W)
Clay, Bob
Cleiland, David
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank (Stockton N)
Cook, Robin (Livingston)
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil (Llanelli)
Davies, Ron (Caerphilly)
Dewar, Donald
Dixon, Don

Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Dunwoody, Hon Mrs Gwyneth
Eadie, Alexander
Eastham, Ken
Ewing, Harry *(Falkirk E)*
Ewing, Mrs Margaret *(Moray)*
Fatchett, Derek
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Hardy, Peter
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Martyn *(Clwyd S W)*
Kennedy, Charles
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Lestor, Joan *(Eccles)*
Lewis, Terry
Livsey, Richard
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McTaggart, Bob
Madden, Max
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thompson, Jack *(Wansbeck)*
Vaz, Keith
Wall, Pat
Wallace, James
Walley, Joan
Warsing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mrs. Llin Golding.

Question accordingly agreed to.
Bill read the Third time, and passed.

Community Charge (Students)

Mr. Speaker: We now come to the prayer on community charges in Scotland. I remind the House before we start that the debate must end at 11.30 pm, and there is great pressure to take part. May I ask for brief contributions from both the Back Benches and the Front Benches.

10.19 pm

Mr. Donald Dewar (Glasgow, Garscadden): I beg to move,

That an humble Address be presented to Her Majesty, praying that the Personal Community Charge (Students) (Scotland) Regulations 1988 (S.I., 1988, No. 632), dated 28th March 1988, a copy of which was laid before this House on 30th March, be annulled.

These are deceptively simple regulations, which define the categories of students who will qualify for a poll tax rebate. They do, however, raise many questions and problems which I believe will haunt those collecting the tax for many a long year.

First, there is the problem of how to define students. The regulations set out to try. We are told that a student is someone who is studying at an educational establishment and attends it for 24 weeks or more during the year, or someone who is studying at a further education or teacher training college and working there for 21 hours in the week, again for a minimum period of 24 weeks.

The first general question that I must ask the Minister is whether he is satisfied that those definitions are precise and comprehensive. Perhaps, when he is addressing himself to that, he will tell us whether students on sandwich courses are likely to be treated differently. After all, many students on this kind of course meet the requisite number of weeks, but only if we include the practical placements which are an integral part of their qualification, and many of those are not within the normal academic year. That seems to raise substantial problems of definition.

Then is the problem of foundation courses. I have experience of this in my own family. People go for two years to an institution, but the only qualification that they obtain is the right to enter a degree course. They do not get any qualification per se. It is not clear to me, at least, that they will be entitled to the rebate.

There is also the problem of bridging courses. There may be a relatively short course when someone is converting from one discipline to another. When that is completed, there is an automatic right to proceed to the second course. It is not clear whether that is taken as a complete entity, and whether the person will be covered by the definition.

I should also like the Minister to say a word or two about non-degree courses. We are told very precisely in regulation 3(a)(iii) that those people will have to undertake a period of study averaging at least 21 hours a week. I stress the words "of study". I should like to know whether that includes placements which are part of, for example, a social work or teacher training course, or indeed a sandwich course. How is it compatible with 3(c), which seems to contradict and run counter to it?

Having looked at the schedule, I believe that there may be difficulties, particularly in regard to further education, for people following, for instance, hairdressing or secretarial courses. I am not entirely satisfied—perhaps the Minister can reassure me—that they are all covered. He might also deal with the question of nursery nurses and English courses for overseas students. Overseas students will have to pay the poll tax even if they are not on the present electoral register. There is a ragged fringe around the edge of the definitions which may well cause problems.

I also ask the Minister to calculate, or give an estimate of, how many students in Scotland are likely to qualify for a rebate. A parliamentary question some time ago suggested around 70,000.

The Minister of State, Scottish Office (Mr. Ian Lang): At this early stage in the debate it might be helpful to point out that we are not talking about rebates; we are talking about exemptions.

Mr. Dewar: That is a nice semantic point. As I understood it, we are talking about the 80 per cent.——

Mr. Jeff Rooker (Birmingham, Perry Barr): It is automatic rebate.

Mr. Dewar: I called it a rebate. I take the point. I mean the reduction in the poll tax charge to 70 per cent. I am asking the Minister how many students in Scotland are likely to qualify. Is the figure 70,000—which I think was mentioned earlier—or 100,000, as the National Union of Students has suggested?

I also ask the Minister to say a word or two about the impact on local government. Obviously, if a local authority is losing 80 per cent. of the poll tax that would normally be paid by an adult, in the case of students there is a substantial loss.

As I understand it, it was originally intended that students would pay the full poll tax and a compensatory award would be made to them. I appreciate the benefits of the approach that has now been adopted, but what guarantees are there for local authorities? An amendment was tabled in Committee in the other place by Lord Ross of Marnock. The then Minister, Lord Glenarthur, said that the point would be taken into account in setting the rate support grant. That is the equivalent of, "Your cheque is in the post," and will inspire no confidence among Scottish local authorities. I calculate that the sum involved is likely to be about £25 million, or about 1 per cent. of RSG. The Minister should give an assurance that that will be properly covered when the calculations are made.

Mr. John Butterfill (Bournemouth, West): Does the hon. Gentleman agree that this does not apply only to students? There are many other cases, such as holiday populations, that equally give rise to concern about the level of RSG and the factors that should be taken into account in assessing it.

Mr. Dewar: That is no doubt true, but we should keep to the subject of students.

When the category of students has been defined, the problem arises how to establish individuals' claims. Perhaps the Minister will take this convenient opportunity to comment on the vital matter of verification and on the state of the art and say how, when students are registered, they will establish their claim to the reduction to 20 per cent. which is at the heart of the scheme. For example, is it intended that universities and colleges will supply lists of those qualified to the registration officers in their areas? If so, a great deal of work is involved for the universities

because the definition of a student for the purposes of the regulations cuts across many other definitions that are used at present in the universities. The category applicable in this case would have to be teased out from the general student body.

If universities are to have that duty, what sanction will there be if they fail to comply? After all, a responsible person has a legal duty placed upon him and faces a financial penalty if he does not carry it out. Would that sanction apply in respect of such institutions, if that approach were to be adopted? Have the views of vice-chancellors been sought on the matter? The Minister will be aware that many civil rights issues involving the denial of individual responsibilities would arise. Many of us take the view that such information should not be supplied by the university or college without the permission of the individual student concerned.

Another possibility is simply that the onus should be on the student to apply for the exemption and to prove his or her entitlement. Perhaps we could have a composite solution in which the onus should be on the student to apply and the registration officer then had the power to check with the university or college. The Minister must comment on that tonight and give an indication of the Government's thinking.

I very much want an assurance that we shall not go down the road taken by the Department of the Environment south of the border. I have here a letter from the hon. and learned Member for Folkestone and Hythe (Mr. Howard) who, I understand, is the Minister for Local Government, to my hon. Friend the Member for Copeland (Dr. Cunningham) which announces that the first step that will be taken in England to deal with the problem

"is a requirement that universities and colleges should issue certificates to full-time students confirming their status. These certificates will make it straightforward for students to claim the student discount".

That looks unpleasantly and uncommonly like an identity card thinly disguised as a certificate to establish a student's status for poll tax purposes. That is totally unacceptable to Opposition Members. It should be ruled out now, and I invite the Minister to do exactly that.

It is clearly desirable that students should receive any possible remission from the burden of poll tax. I am in favour of that, as are my hon. Friends, but that does not mean that we must not be satisfied that there is confidence in the system and that it is workable and equitable. Even with the discount it is worth remarking that few, if any, students look forward in any sense to the arrival of the poll tax. They have many and manifold worries. Perhaps the Minister could do himself some good by giving assurances and addressing himself to some of the problems.

There is, for example, the matter of the rent levels paid by students. As the Minister knows, these are often set on the basis that the landlord will pay a substantial rates bill. The rates bill will disappear for the landlord, and students will shoulder perhaps £60 or £70 a year or more as their 20 per cent. of the normal poll tax in the area. Yet, so far as I am aware, there is no machinery for ensuring that the rents are adjusted to a lower level to compensate for this change. It is important that the Minister says a word or two about that during the debate. That is essential because students are hard pressed—no doubt in all parts of the United Kingdom, but I can speak from personal experience of Scotland only.

Students have suffered from the falling value and purchasing power of the grant over many years and from the failure to rate properly against inflation. They will suffer from changes in housing benefit, perhaps not so dramatically as some of my constituents, but nevertheless significantly and substantially. In the long term they will suffer from the Government's determination to end all support for students from the benefit system. In those circumstances it is absolutely vital that we have some assurance that efforts will be made to adjust those rents to ensure that students do not bear an additional burden which few of them can afford.

We want the best possible protection for students, but we do not believe that these regulations are properly thought out. They are full of gaps, distortions and anomalies. It is a case of doubtful means being employed to achieve a thoroughly undesirable end. The House should reflect the anger and vehement opposition of students to the poll tax in every part of Scotland. We intend to vote against the regulations and the tax. The regulations are part and parcel of an unsound, unpopular scheme, which we believe is essentially unworkable.

10.32 pm

Mr. Bill Walker (Tayside, North): I am happy to speak about the community charge regulations as they apply to students. I declare an interest because some members of my family are students and will obviously benefit from the 80 per cent. rebate.

I am worried about the way in which the community charge is being presented to the people of Scotland, including students. Only this week I received through my letter box *The Tayside Digest*—not one of my favourite pieces of reading material—which is issued by Tayside regional council. The digest advises us that an estimated £1,775,000 will be required for additional staff to operate the community charge, together with about £300,000 more for property costs, about £580,000 extra for administration costs, about £2 million for temporary office accommodation and about £4·5 million for permanent offices. The way Tayside is proceeding gives rise for anxiety. The council seems determined to spend money regardless. In those curcumstances students must be concerned about the 20 per cent. that they will be required to pay.

Kept at present levels and without escalating costs, the charge will be equivalent to a colour television licence fee. I should have thought that, for the value to students, certainly in my family, of libraries and other facilities, that is a small contribution towards the cost of local government. Non-students would pay substantially more for the recreational and other facilities that students use extensively. So is is good value, but it will remain good value only if my hon. Friend the Under-Secretary keeps a careful note of how much Tayside and other regions spend on collection. For instance, Tayside has opted for an NCR system, and I wonder whether it is paying extra for that equipment.

I am also worried about the misinformation which is being put out about the community charge, its likely cost and the way it will be administered. During the local government election recently the Scottish National party, true to form, put out its usual bunch of lies in my

[Mr. Bill Walker]

constituency. *[Interruption.]* It does that all the time in my constituency and I am sure it does the same in others, including Labour constituencies.

The community charge will be affected by the way in which local authorities deal with housing. One lie put out by the Scottish National party was:

"The Government is determined that local authority housing should be sold off to the highest bidder . . . Council housing as we know it today will disappear and the only beneficiaries will be faceless city investors."

All that will affect the community charge and will worry students. I am worried about the downright lies that have been circulated to students and others by the Scottish National party in my constituency, and I welcome the opportunity to ask my hon. Friend the Minister to note that.

Because I have been asked to be brief, I will not deal with the other aspects of the regulations. I repeat that students will get marvellous value for what they pay. As I said, I have students in my family; they will enjoy the benefits, provided my hon. Friend keeps a close eye on the cost of administering the charge.

10.37 pm

Mr. Thomas Graham (Renfrew, West and Inverclyde): Some time ago I asked a question to which the answer was one of the most sinister that I have heard in Britain for many a day. I asked whether the Minister was suggesting that petitions would be used for the purpose of gathering names and addresses for the register. He said yes. That is incredible in Britain, where we have a history and tradition of using petitions to petition the Queen or the Government. There has never before been any suggestion that a Government would use a petition as a source of information. Now the Government intend to use petitions as a source of information to complete the disastrous poll tax register.

It is a sinister move. Students who are on the threshold of life and who are trying to get an education will be frightened to put their names to anti-poll-tax campaigns because the Government may use the information to compile the register. What else could the Government use the information for? They could use it for many other purposes. The Minister must tell the House and the country how the Government will use petitions. *[Interruption.]*

I know that other hon. Members wish to speak, so I do not want to take up too much time. I believe that the 20 per cent. is a tax on education. It is a tax on young people who cannot afford to pay it. We have recently seen in the House the push for Scottish Homes. The Opposition know that that will cause rents to escalate. On top of that, young people will need to find 20 per cent. of the poll tax. Does the hon. Member for Tayside, North (Mr. Walker) believe that £70 is chickenfeed? Seventy pounds buys £70-worth of books. The Government will punish young people who can ill afford their education. They will drive young people away from further education.

The Government are on the road to stifling free speech. They cannot be allowed to use petitions in this way. The Minister should make it clear to the House that the Government have no intention of changing the traditions and values of this country and that they will use petitions for their proper purpose. It is disgraceful that any Minister, especially a Scottish Minister, should take away from the Scottish people the right to sign a petition, and the petition they sign should be used only for its proper purpose. It should not be used for any sinister means thought up by the registration office.

10.41 pm

Mr. Alistair Darling (Edinburgh, Central): We are discussing those lucky students who will be exempted from paying the full amount of the community charge and will only pay 20 per cent. of it. One of the objections to the regulations is that they exclude many people who, in any sense of the words, are students or trainees. However, they will not be exempted from paying the full amount, as are students of universities, colleges and so on.

It is worth noting that students who become liable to pay poll tax in their first year of education will have no allowance made in their student grants. That is because no adjustment will be made to the student grant until poll tax is payable throughout the whole of the United Kingdom. In other words, students attending Scottish universities and colleges will be disadvantaged.

Why is the group eligible for the allowance so narrow? Why does it not include part-time students, who attend universities and colleges for less than 21 hours a week? What about trainees? Are they not students? We constantly see advertisements that are paid for by the taxpayer and promoted by Lord Young, telling us that there will be more training and more students, yet those people are not to be included.

Student grants this year amount to £38 a week if one is living away from home, or £28 a week if one is living at home. If one compares those figures with the amount paid to YTS trainees—£29 a week in the first year and £35 a week in the second year—one sees that there is not much difference between the payments. Yet the students attending universities or colleges have to pay only 20 per cent. of the poll tax—I do not grudge them that—and trainees on, for example, YTS will pay the full amount if they do not come within the very restrictive benefit scheme. Although there is little difference, the Government are treating the YTS trainees differently. We suspect that that is because they are attempting to buy off the parents of the students attending colleges and universities.

One of the major anomalies involves student nurses. Why are they not included? What have the student nurses done to offend the Government so much? Why will they not be entitled to pay only 20 per cent. of the poll tax? What about the young unemployed?

Mr. Ian Bruce (Dorset, South) *rose*——

Mr. Darling: I hope that hon. Members will forgive me, but I am reluctant to give way to hon. Members who have shown little interest in the poll tax legislation for Scotland. We see them only when they are brought in to filibuster on behalf of the Government.

Mr. Tim Devlin (Stockton, South): Will the hon. Gentleman give way?

Mr. Darling: No, I shall not give way.

The House must consider the double standards that are being applied—on the one hand, to students at colleges and universities, and on the other, to those who are on YTS and to student nurses.

For people on YTS, the poll tax may account for as much as £7 a week out of a weekly income of £29. On top of that, the unfortunate individual also has to pay for rent, food and rising electricity prices.

As my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) said, who will guarantee that student rents will come down when rates are abolished? In too many cases, what is likely to happen is that rents will stay exactly the same and the landlords will pocket the difference and, on top of rent, the student will have to find the money for the poll tax.

If the Minister refers to the rebate system in his reply, let no one be fooled. We have already seen, in the benefit changes, students being hit time and again along with thousands of others. The rebate system has been restricted, which will result in many people who wish to improve themselves by undergoing further education losing out, together with those who want to train and those who want the advantages to which they are entitled.

The regulations are full of inconsistencies—that is typical of the legislation as a whole. The one thing that is certain is that the Minister will say nothing to justify it, because there is no justification. Once again, he will mumble his way through the brief. People in Scotland, and in the United Kingdom, have every right to be worried about what is coming their way. The Government will pay the penalty for that. The regulations typify the double standards and unjust nature of the poll tax and that is why we shall vote against them.

10.46 pm

Sir Hector Monro (Dumfries): It seems strange that after a year the Opposition have still not got away from their yah-boo attitude to the House. They refuse to treat it as a debating Chamber, or to observe the normal courtesy of giving way. All they do is make a lot of noise without ever considering the issue at stake. The sooner they realise that they are the "feeble 50" and have a singularly incompetent year's work behind them, the better.

This is a good scheme to help whole-time students to deal with the community charge. The 80 per cent. reduction is significant and worth while and will be well received by the students concerned, bearing in mind that if everything is fair there will be a significant reduction in the rates that they are already paying.

Opposition Members have spent the past year giving out misinformation. They have totally ignored the rebate scheme for the community charge and have put the fear of God into people when that cannot be justified in any way. The misinformation in some of the documents that have been produced since the last election must make the consciences of Opposition Members turn even redder.

Mr. Tam Dalyell (Linlithgow) *rose*——

Sir Hector Monro: They have put in some—[HON. MEMBERS: "Give way."] Of course I give way to the hon. Gentleman.

Mr. Dalyell: Why is it, then, that the vice-chancellors should have expressed so many anxieties on behalf of the students?

Sir Hector Monro: I am afraid that they have been misled by the Labour party. When the vice-chancellors read the Minister's reply, they will realise that they were ignorant of the facts. That is why they have put out more misinformation than the hon. Gentleman's party in recent months.

There is no doubt that the Labour party—the Scottish National party is even worse—and the social democrats have been putting the most fearful and totally incorrect information before the people of Scotland. All Opposition Members, especially those in the Scottish National party, should apologise to the people of Scotland for the way in which they have behaved during the past year over the community charge.

Mr. Bill Walker: Another interesting aspect of the position of the Scottish National party is that the Scottish National party provost in Perth and Kinross and nationalist councillors in Angus are telling people to live within the law and obey the law, which is contrary to the nonsense that we hear from Opposition Members.

Sir Hector Monro: Indeed. Those who follow the advice of the SNP will be remarkably few. The majority will realise that it is far better to keep within the law, which is what most citizens of Scotland have done for generations.

My hon. Friend the Minister has brought forward regulations that will help whole-time students and will be well received by them. I hope that the prayer is rejected.

10.50 pm

Mr. Menzies Campbell (Fife, North-East): I doubt whether I can attain the lofty forensic heights of the hon. Member for Dumfries (Sir H. Monro), but I shall do my modest best. In the houses of the vice-chancellors—we prefer to call them principals in the Scottish universities—it will be noted that it is the hon. Gentleman's view that the robust Scottish education tradition is so lacking in vigour that the principals have been deluded by Ministers of the Scottish Office. I have no doubt that that will ring loudly in their ears.

Sir Hector Monro: I should be grateful if the hon. and learned Gentleman would refer accurately to what I said. I said that the vice-chancellors have been misinformed by the Labour party, not by Ministers.

Mr. Campbell: That can be only because they have not accepted the alternative views of Ministers at the Scottish Office. It is unconvincing to suggest that the vice-chancellors are so unreceptive to good argument that they cannot distinguish between what is right and what is wrong. No doubt they will regard the hon. Gentleman's judgment of their inability to distinguish between what is right and what is wrong as a measure of the importance that the Government attach to higher education in the United Kingdom.

In the interests of brevity I do not propose to repeat many of the observations so pungently made by the hon. Member for Glasgow, Garscadden (Mr. Dewar). However, I invite the Minister to give some consideration to the position of overseas students. As a result of the Government's policies, the university of St. Andrew's, which lies within my constituency, has had to make the attraction of students from overseas an important part of its economy. Anything which operates as a disincentive to such students to come to St. Andrew's might have serious repercussions for the financial stability of that institution. I hope that the Minister will make clear precisely what the position is on overseas students.

[Mr. Campbell]

We are concerned this evening not with the principle of the community charge but with its consequences. The regulations are offensive for what they contain and what they do not. The imposition upon students of even 20 per cent. of the community charge is deeply offensive because since 1981 the real value of student grants has fallen by about 21 per cent, and there is to be no increase in the grants in Scotland in the first year for which the community charge is payable. I know of students at St. Andrew's university who genuinely face hardship as a result of the low level of grants on which they are now forced to exist—*[Interruption.]* If they were present, they would give those who are interrupting from a sedentary position a clear account of their difficulties.

The imposition of even 20 per cent. of the community charge will add to the hardship of many students. It is nothing but an illustration of the lack of regard that the Government have for higher education and the opportunities that it offers for our young people that they should adopt such a policy.

I am interested that there are so many English Members present in the Chamber for the debate. I welcome their attendance, because the debate will give them an opportunity to prepare themselves for the onslaught in their constituency surgeries when constituents realise what the consequences are for their children when the community charge is imposed.

Mr. Devlin: English Members are already seeing their constituents in their surgeries on this issue. During my surgery at Stockton-on-Tees on Saturday I was met by half a dozen pensioners who wanted to know why the local council was organising a petition against the poll tax and I was not organising a petition in its favour. They told me that if I were to organise such a petition, they would be enthusiastic to sign it.

Mr. Campbell: I think, Mr. Deputy Speaker, that that intervention taxed your tolerance of what is relevant to a debate on regulations that determine the position of students.

The regulations are offensive for what they do not contain. They fail to recognise the position of student nurses and of apprentices and trainees, who are necessarily engaged in full-time training or education and are poorly rewarded for that, not having the opportunity to take vacation jobs——

Mr. Ian Bruce: The hon. and learned Gentleman cannot have looked at the regulations. He must surely know that all the people on low wages whom he has described could well be entitled to a full 80 per cent. rebate. Students automatically get it, and do not have to go through the paperwork to do so.

Mr. Campbell: That is correct. It may be a measure of the importance that the Conservative party attaches to nurses that it thinks it reasonable to pay them a level of remuneration that results in their receiving an 80 per cent. rebate.

Mr. Butterfill *rose*——

Mr. Campbell: I shall not give way. I have done my best so far to bring knowledge to the ignorant, and do not propose to permit further interruptions.

The regulations are an illustration of the flawed principle upon which the community charge is based. They are therefore inherently flawed themselves, which is why the House should have no hesitation in wholly rejecting them.

10.57 pm

Mr. Harry Ewing (Falkirk, East): I want to take up a point about student nurses that was made by my hon. Friend the Member for Edinburgh, Central (Mr. Darling) and reinforced by the hon. and learned Member for Fife, North-East (Mr. Campbell). Before doing so, however, I want to answer the point made by the hon. Member for Dumfries (Sir H. Monro), who accused the Labour party in Scotland of having successfully persuaded the people of Scotland to oppose the poll tax by generating misinformation about it. I take that as something of a compliment.

What has been done to advise people in Scotland about the poll tax? At great expense to the taxpayer, the Scottish Office produced a glossy book that was delivered to every household in Scotland by the much maligned Scottish Post Office. At great expense, the Scottish Conservative party employed a former information officer from the Scottish Office to generate what it considered to be correct information about the poll tax.

All these efforts have failed to convince the people of Scotland of the value of the poll tax. They have chosen instead to believe the explanation given by the Scottish Labour party. The hon. Member for Stockton, South (Mr. Devlin) fairly described how, at his surgery on Saturday, he was confronted by six old-age pensioners, who chastised him for not organising a petition in favour of the poll tax.

There are 10 Tory MPs in Scotland. I challenge one or all of them, or the Scottish Conservative party, which does not amount to many more than 10 members, to organise a petition and see how many signatures they can get in Scotland in favour of the tax. My guess is that they could be contained on the two sides of an A4 sheet, with enough room left over on it to write the address of the House of Commons.

To return to the point raised by my hon. Friend the Member for Edinburgh, Central about student nurses, I do not think that the Government—I notice that the debate has been graced with the presence of the Minister of State responsible for Scottish health—have fully appreciated the impact on nurse training in Scotland that the imposition of the poll tax will have, four years before it is applied in England and Wales.

At its annual conference in the Scottish exhibition centre in Glasgow last year, the Royal College of Nursing went on record as saying that it will advise student nurses not to train in colleges of nursing and midwifery in Scotland while the poll tax legislation is being implemented in Scotland and not implemented south of the border.

Mr. Butterfill *rose*——

Mr. Ewing: The hon. Member for Bournemouth, West (Mr. Butterfill) is desperate to make a point and I shall give way to him so that he may sleep peacefully.

Mr. Butterfill: Does the hon. Gentleman not agree that it is for the nurses' review body to decide what will be necessary to compensate nurses for the liability that the

hon. Gentleman talks about? Does he not also agree that the Government have implemented the review body's recommendations in full?

Mr. Ewing: Nurses in Scotland will be worse off to the extent of the poll tax than their counterparts in England and Wales. We now have two views from Tory Members —the one expressed by the hon. Member for Bournemouth, West and the one expressed by the hon. Member for Dorset, South (Mr. Bruce). The hon. Member for Bournemouth, West says that it is for the review body to consider the remuneration of student nurses. The hon. Member for Dorset, South said that nurses received such low pay that they might well qualify for an 80 per cent. rebate.

Mr. Ian Bruce *rose*——

Mr. Ewing: I propose to finish on this point and I hope that the Minister will take it on board. Whatever may be said about the Under-Secretary of State for Scotland, he believes in what he says. I do not dispute that for a moment.

Mr. Ian Bruce: On a point of order, Mr. Deputy Speaker. The hon. Member for Falkirk, East (Mr. Ewing) has misquoted me. I clearly said that the income of those classes of people would be looked at and that they could receive a rebate of 80 per cent.

Mr. Deputy Speaker (Sir Paul Dean): That is a matter for debate and not a point of order for the Chair.

Mr. Ewing: Sometimes I think that the Under-Secretary of State for Scotland is a fair person. I have to be personal here and I hope that he does not take offence. I am sure that he sees the total unfairness and injustice in the fact that student nurses whom he represents in Stirling royal infirmary and in other Health Service establishments in his constituency are faced with the possibility of the imposition of the poll tax while he will save £1,200 a year. There is simply no justice in that and student nurses training in Scotland will suffer as a result. That will be on the shoulders of Conservative Members.

11.3 pm

Mr. Dick Douglas (Dunfermline, West): I shall be extremely brief and have no intention of giving way.

What concerns me about the regulations is the way that they affect education and universities not only in Scotland but elsewhere. Universities are collegiate organisations and a family. I watched with some interest the smirks on the faces of Conservative Members when my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) suggested that part of the thrust of the regulations was to invite universities to issue to students what is tantamount to an identity card. Many Conservative Members said, "Why not?"

Most universities have some form of identification, for libraries and so on, because it bestows on the students some privilege. If the regulations bestow a privilege, they go against the thrust of the poll tax and accountability. Although it goes partly along the lines of ability to pay, the main thrust of the poll tax is to impose burdens on people so that those burdens will be reflected in their voting behaviour.

The Secretary of State and the proponents of the tax argued at first that the students should pay the whole tax and get rebates, remission or exemptions. That is a range of words, but the Minister used the word "exemptions" because the students get grants from the Scottish Office. I want an assurance from the Minister, because I predict that there will be enormous difficulties in determining who is a student. I suspect that when the Scottish Office is faced with that problem it will go to its central records of those who apply for student grants. [HON. MEMBERS: "Why not?"] Why not? If that is not an infringement of civil liberties, I do not know what is. For the first time, we have an admission that if parents of students freely give information for one purpose, when the Secretary of State or those who desire to impose on young Scots a head tax with no real basis in ability to pay cannot get their way, they will use any device to hand.

If the Minister does not deny that, the suspicion will lie. People will not apply for student grants because they will not want to pay the poll tax. Students will not pay even the 20 per cent.; parents will. Tory Members are smirking. We want more children from working class backgrounds to go in for higher education, but their parents will not be able to pay the tax. It will be a further imposition and a further

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Mr. Devlin: Will the hon. Gentleman give way?

Mr. Douglas: I have made it plain that I shall not give way, and I shall certainly not give way to hon. Members who have scant regard for what is being proposed in Scotland.

The regulations have an extremely eclectic definition of students. We have had some debates about the future of Newbattle Abbey. Do students attending that college qualify under the regulations? As far as I know, they will have to pay the poll tax, although they will be in the college for periods of 24 hours or 21 hours. What will happen to Scottish students who go to organisations such as the college I went to—the co-operative college at Loughborough—not necessarily to take degrees, but for some other educational qualification?

We have no information as to the cost of imposing these regulations. I have made it plain that this is a monstrous tax that the people of Scotland want nothing to do with. I have warned my colleagues and I shall warn the Government. The Prime Minister may be doing us a good turn by visiting Scotland—and I do not mean the electoral chances of the Tory party. The more she tries to thrust down the throats of Scottish people what she thinks is good for them, the more the Scottish people will reject it. Come 1 April 1989, the revulsion that will be displayed by the Scottish people towards the poll tax will rock the unity of the United Kingdom.

11.9 pm

Mr. Roy Beggs (Antrim, East): The community charge, or poll tax, which comes into effect in Scotland in 1989 and in England and Wales from 1990 onwards, will affect students from Northern Ireland studying at mainland universities. Like other students, they will be required to pay 20 per cent. of the tax. They will be registered for collection at their term-time addresses in Great Britain.

Is the Minister aware that students from Northern Ireland studying at English, Welsh and Scottish universities——

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Deputy Speaker. You will be well aware of

[Mr. Tony Marlow]

the fact that Conservative Members who have been present throughout the debate have tried to get involved in the debate—*[Interruption.]*

Mr. Deputy Speaker: Order. The hon. Gentleman must not question the judgment of the Chair in calling hon. Members to speak. Mr. Beggs.

Mr. Marlow *rose*——

Mr. Deputy Speaker: Order. I have dealt with the hon. Gentleman's point of order and I ask him now to reflect upon what I said. Mr. Beggs.

Mr. Marlow: On a point of order, Mr. Deputy Speaker. I seek your advice—*[Interruption.]*

Mr. Deputy Speaker: Order. I am not taking another point of order from the hon. Gentleman. Mr. Beggs.

Mr. Beggs: This has gone a little too far. It is quite unnecessary.

Is the Minister aware that students from Northern Ireland at English, Welsh and Scottish universities——

Mr. Barry Porter (Wirral, South): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. This is a very short debate and the House must leave it to the discretion of the Chair as to who should be called to speak. I appeal to hon. Members, whose frustration I fully understand, not to rise on points of order which are questioning the discretion of the Chair.

Mr. Beggs: Is the Minister aware that students from Northern Ireland who study at mainland universities will be adversely affected by the poll tax? Their parents are already paying domestic rates——

Mr. Barry Porter: On a point of order, Mr. Deputy Speaker. As an English Member, I have listened with great interest to the debate, and to some extent I understand how you have exercised your honest discretion in calling Scottish Members. Equally, this is a matter for the United Kingdom, and it is difficult to understand why, after four Opposition Members have spoken consecutively, you have called an hon. Member from the Province, and my hon. Friend the Member for Northampton, North (Mr. Marlow) has not been called. We have a right to be heard.

Mr. Deputy Speaker: Of course I understand the frustration of hon. Members on both sides of the House when they do not have the opportunity to be called in debates, but the whole House knows very well that that is one of the discretions—and it is a very difficult discretion —which the House has given to the Chair. I am exercising that discretion to the best of my judgment.

Mr. Beggs: Parents of students attending mainland universities are already paying domestic rates at the same level as is paid in Humberside. When the poll tax is introduced in Humberside, Northern Ireland ratepayers will pay domestic rates at the same level as the poll tax levied in Humberside. Those parents will then be required to provide additional financial assistance for their sons or daughters attending mainland universities. I understand that that could amount to as much as £70—*[Interruption.]*

Mr. Nigel Griffiths (Edinburgh, South): On a point of order, Mr. Deputy Speaker. Opposition Members are keen to listen to contributions to the debate, but we are unable to do so because of squabbling and speaking between Government Whips and Conservative Members. If the Government Whip cannot control the hon. Members, they should leave the Chamber and carry on——

Mr. Deputy Speaker: Order. There is little time left in the debate and I ask the House to listen quietly to the hon. Member who has the Floor.

Mr. Beggs: I am sure that there is no intention to discriminate against me. I hope that there is no intention by the Government to discriminate against those Northern Ireland students who are attending universities on the mainland, who have taken the initiative to seek places and have been awarded courses appropriate to their needs.

Will the Minister undertake to discuss the problem with his colleagues in the Northern Ireland Office and request that consideration be given urgently to increasing student grants for Northern Ireland students at universities in Britain? Such students are already badly penalised by the high costs of travel to and from the mainland and we all know that travel assistance has been cut.

Will the Minister also bear in mind the fact—this is important and I hope that the Minister will understand and be sympathetic—that Northern Ireland is a low-wage economy? We have high unemployment. The future prosperity of Northern Ireland is dependent on our students getting the best education possible. We do not want anything that will dissuade them from seeking courses at mainland universities.

The additional burden of the poll tax puts at risk for many of those students the possibility of attending mainland universities. I hope that the Minister can inform us whether, taking account of the low incomes, such people will be entitled to a rebate of 80 per cent. of the 20 per cent. being levied or whether they will qualify for benefit to help pay the 20 per cent. that is expected from them.

It would appear that the cost of collecting that small amount of poll tax from our students may far outweigh the value of the money collected. It should be dropped altogether. Students should be exempted.

11.18 pm

The Minister of State, Scottish Office (Mr. Ian Lang): From the tone of this evening's debate one would not have thought that the proportion of gross domestic product going on student maintenance in this country is higher than in any other Western country, that student incomes overall have risen by 5·5 per cent. in real terms since 1982 and that there are more students than ever before.

Mr. Alex Salmond (Banff and Buchan): On a point of order, Mr. Deputy Speaker. Given the respect with which the Chair treats the rights of minority parties in the House, it cannot have escaped your notice that the Scottish National party has again not been allowed to make a contribution to this debate on an important issue facing Scotland. That is particularly surprising given that the SNP emerged as the second party in Scotland in terms——

Mr. Deputy Speaker: Order. I must say to the hon. Gentleman—as I have just said to Conservative Members —that this is a matter for the discretion of the Chair.

Mr. Lang: As the Scottish National party does not support the rule of law, I do not see why they should seek its protection in this House.

The regulations embody a generous and sensitive response to students' status in the application of the community charge. The hon. Member for Glasgow, Garscadden (Mr. Dewar) asked me whether I was satisfied that the definitions are precise and comprehensive, to which I answer yes, and I shall come to details of that in due course.

Mr. Salmond *rose*——

Mr. Lang: No. I shall not give way to the hon. Gentleman.

First, however, I should like to answer some points arising from the debate. The hon. Member for Garscadden asked me about the number of students. In 1986-87, 81,600 full-time and sandwich course students were engaged in higher education in Scotland, the great majority of whom would qualify for the 20 per cent. concession. In general, students on short courses and bridging courses leading to entry to higher courses but not producing qualifications in themselves would not be eligible for the 20 per cent. concession, although they will, of course, be eligible for rebate. The definition of term time at regulation 3(c) provides for sandwich course students to attend their courses

"at such place or places as the educational establishment may specify or approve."

That covers sandwich courses. Provided that students undertaking sandwich courses or practical placements meet the requirements of the regulations, they will be liable only for the reduced rate of personal community charge throughout their course.

The hon. Member for Garscadden asked me about the financial implications for local authorities in the context——

Mr. Marlow *rose*——

Mr. Lang: No, I am very sorry. If my hon. Friend will forgive me, I have very limited time. I apologise; on another occasion I would happily give way to my hon. Friend.

I assure the hon. Member for Garscadden that account will be taken of the number of students in each area in the distribution of the revenue support grant. The hon. Gentleman and his hon. Friend the Member for Renfrew, West and Inverclyde (Mr. Graham) estimated that the cost of the community charge to students in Scotland would be £70. The hon. Member for Renfrew, West and Inverclyde asked whether that was chickenfeed. I point out that my hon. Friend the Under-Secretary of State for Education and Science has been conducting a survey of student expenditure, which discloses that 60 per cent. of students already pay something towards rates in their rent payment. The average payment is between £70 and £80. I hope that that puts the matter in context. *[Interruption.]*

The hon. Member for Strathkelvin and Bearsden (Mr. Galbraith) asks whether rent will go down. If they do not already have a registered rent, which is, of course, exclusive of rates, those who are already tenants will be able to apply to the rent officer for a rent to be registered if they are not satisfied that their landlord has reduced the amount that they pay to reflect the abolition of domestic rates. I acknowledge that that protection is not available to some students at present. The Rent Act has never sought to impose control on certain kinds of lettings, such as those where board is provided. In other cases—for example, where there is a resident landlord—the control is much less.

Any attempt to disentangle landlords' liability for rates from their other overheads would be impossible and would not necessarily lead to a reduction in what people pay. In that sector of the market, landlords charge what the market will bear rather than building up a charge based on the separate identification of rent and rates. In future, people in such accommodation may very well be offered short assured tenancies under the proposals of the Housing (Scotland) Bill. In those circumstances, they will be able to apply for the determination of a rent which would not include rates and therefore have the assurance that the total amount that they were called upon to pay was not excessive in the light of prevailing market conditions in the area. So Opposition Members' fears are not justified.

The hon. Member for Edinburgh, Central (Mr. Darling) and the hon. and learned Member for Fife, North East (Mr. Campbell) referred to student nurses. Students differ from student nurses and other trainees in two important respects. First, their financial situation is different. A student nurse's salary is considerably higher, for example, than even the highest student grant. The student grant outside London is under £2,000, whereas the starting salary for a first-year student nurse is £4,825 and for a third-year student nurse is £5,575. The average earnings of a student nurse in Scotland are about £5,500, which is about two and a half to three times what a student gets.

We shall take no lessons from members of the Labour and Liberal parties, as, under the last Labour Government, supported by the Liberals, nurses' pay fell by 40 per cent. whereas under this Government it has risen by an average of 44 per cent. in real terms. The crucial difference is that students will not be eligible for community charge rebates whereas trainees on low incomes will be eligible for rebates and other help through the social security system.

The hon. Member for Edinburgh, Central asked about the young person with an income of £29 per week, suggesting that he would have to pay £7 per week community charge. That, as the hon. Gentleman must be aware, is totally misleading and inaccurate, as it takes no account of that person's entitlement to rebate.

The rebate details have not yet been published—[HON. MEMBERS: "Oh!".] However, on a rough calculation and based on present allowances, a single person having the income and of the age mentioned by the hon. Gentleman would enjoy a rebate of between £4·50 and £5.

Mr. Darling *rose*——

Mr. Lang: No, I will not give way to the hon. Gentleman.

The hon. Member for Falkirk, East (Mr. Ewing) suggested that nurses in training in Scotland would suffer a four-year disadvantage. He must be aware that the English community charge will be introduced in 1990 and only in parts of London will there be transitional arrangements beyond 1990.

Mr. Dewar *rose*——

Mr. Lang: I am sorry, but I must press on; I have a number of points still to answer.

We have always intended that there should be a special community charge registration regime for students, in the sense that they should be deemed to be mainly or solely resident at their term-time address. That is a matter of administrative practicality, as it will ensure that students having a term-time address different from their home address will not have to be deregistered and then re-registered up to six times a year, at the beginning and end of each vacation.

It was the Government's original intention that, as far as possible, payment of the personal community charge by students——

Mr. Dewar: What about identity cards?

Mr. Lang: I hope to deal with that point later.

As to the payment of the personal community charge, students—like all other adults—will be liable to pay the full charge, but assistance will be made available through the student awards system. During the passage of the Abolition of Domestic Rates, Etc. (Scotland) Bill through the House of Lords, it was agreed that a 20 per cent. proportion with an 80 per cent. reduction was a more appropriate system.

A number of Opposition Members raised questions about the registration process as it affects students. I am informed that the hon. Member for Garscadden held a press conference in Scotland today at which he characterised the registration process as going badly, simply because the Government have not claimed that it is going well. I assure him that we have, and it is. Registration for the community charge is proceeding smoothly and as planned. [HON. MEMBERS: "Rubbish!"] We are still only one quarter of the way through the registration period provided for drawing up the first registers, but it is already clear from press reports that return rates of higher than 75 per cent. are being achieved generally in the initial canvass, approaching 90 per cent. in some areas.

That is substantially better than would be expected from the first stage of the traditional canvass process for electoral registration. It leaves those who have been trying to disrupt the registration process looking as ridiculous as they are contemptible.

The hon. Member for Garscadden asked about identity cards. We are considering the possibility of inviting the university authorities to co-operate in the matter of registration, as our English colleagues have already made plain that they are doing. We have had a consultation process and are considering the outcome. We shall make our announcement shortly.

The hon. Member for Garscadden claimed great success for the campaign to send forms back. People have been sending them back—completed. It is clear that registration officers throughout Scotland are finding no insuperable difficulties in completing the tasks given to them by statute. Those who decided to adopt a postal canvass have almost completed the first stage. Lothian and Strathclyde, the two most populous regions, are well on track to completing the canvass by the end of June, as they planned to do.

Not only is the Labour party failing in its campaign—and there is nothing new about failure where Labour is concerned—but it is also demeaning itself by lending support to a campaign that encourages people to disregard their civic obligations. I regard Labour Members' posture of nudging the people of Scotland towards disruption and law-breaking as a squalid and demeaning exercise. It is undemocratic and unprincipled, and hon. Gentlemen know that. But they underrate the Scottish people, who are obeying the law, returning the registration forms and rejecting the Labour party's cynical blandishments. The result will be a fairer and more broadly based means of contributing to the cost of local government through the community charge. The regulations bring that system closer, and I commend them to the House.

Mr. Brian Wilson (Cunninghame, North) *rose——*

It being half-past Eleven o'clock, Mr. DEPUTY SPEAKER put the Question, pursuant to Standing Order No. 15 (Prayers against statutory instruments, &c. (negative procedure)):—

The House divided: Ayes 190, Noes 304.

Division No. 312 [11.30

AYES

Abbott, Ms Diane	Dewar, Donald
Adams, Allen (Paisley N)	Dixon, Don
Allen, Graham	Dobson, Frank
Alton, David	Doran, Frank
Anderson, Donald	Douglas, Dick
Archer, Rt Hon Peter	Dunnachie, Jimmy
Armstrong, Hilary	Dunwoody, Hon Mrs Gwyneth
Ashton, Joe	Eadie, Alexander
Banks, Tony (Newham NW)	Eastham, Ken
Barnes, Harry (Derbyshire NE)	Ewing, Harry (Falkirk E)
Barron, Kevin	Ewing, Mrs Margaret (Moray)
Battle, John	Fatchett, Derek
Beckett, Margaret	Faulds, Andrew
Beggs, Roy	Fields, Terry (L'pool B G'n)
Bell, Stuart	Fisher, Mark
Benn, Rt Hon Tony	Flannery, Martin
Bermingham, Gerald	Flynn, Paul
Blair, Tony	Foot, Rt Hon Michael
Blunkett, David	Foulkes, George
Boateng, Paul	Fraser, John
Boyes, Roland	Galbraith, Sam
Bradley, Keith	Galloway, George
Bray, Dr Jeremy	Garrett, John (Norwich South)
Brown, Gordon (D'mline E)	Garrett, Ted (Wallsend)
Brown, Nicholas (Newcastle E)	Gilbert, Rt Hon Dr John
Bruce, Malcolm (Gordon)	Godman, Dr Norman A.
Buchan, Norman	Golding, Mrs Llin
Buckley, George J.	Gordon, Mildred
Caborn, Richard	Graham, Thomas
Campbell, Menzies (Fife NE)	Grant, Bernie (Tottenham)
Campbell, Ron (Blyth Valley)	Grocott, Bruce
Campbell-Savours, D. N.	Hardy, Peter
Canavan, Dennis	Haynes, Frank
Carlile, Alex (Mont'g)	Healey, Rt Hon Denis
Clark, Dr David (S Shields)	Heffer, Eric S.
Clarke, Tom (Monklands W)	Henderson, Doug
Clay, Bob	Hogg, N. (C'nauld & Kilsyth)
Cleland, David	Holland, Stuart
Clwyd, Mrs Ann	Home Robertson, John
Cohen, Harry	Hood, Jimmy
Coleman, Donald	Howarth, George (Knowsley N)
Cook, Frank (Stockton N)	Hoyle, Doug
Cook, Robin (Livingston)	Hughes, John (Coventry NE)
Corbett, Robin	Hughes, Robert (Aberdeen N)
Cousins, Jim	Hughes, Roy (Newport E)
Cox, Tom	Hughes, Sean (Knowsley S)
Crowther, Stan	Hughes, Simon (Southwark)
Cryer, Bob	Illsley, Eric
Cummings, John	Janner, Greville
Cunliffe, Lawrence	John, Brynmor
Dalyell, Tam	Jones, Barry (Alyn & Deeside)
Darling, Alistair	Jones, Martyn (Clwyd S W)
Davies, Rt Hon Denzil (Llanelli)	Kaufman, Rt Hon Gerald
Davies, Ron (Caerphilly)	Kennedy, Charles

Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Lestor, Joan (Eccles)
Lewis, Terry
Lloyd, Tony (Stretford)
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McFall, John
McKay, Allen (Barnsley West)
McKelvey, William
McLeish, Henry
McTaggart, Bob
Madden, Max
Marek, Dr John
Marshall, Jim (Leicester S)
Martin, Michael J. (Springburn)
Marlow, Eric
Marton, John
Meale, Alan
Michael, Alun
Michie, Bill (Sheffield Hallam)
Millan, Rt Hon Bruce
Minnie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Brien, William
O'Neill, Martin
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray (Ogmore)
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan (Bootle)
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew (Oxford E)
Smith, C. (Isl'ton & F'bury)
Smyth, Rev Martin (Belfast S)
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann (Dewsbury)
Taylor, Matthew (Truro)
Thompson, Jack (Wansbeck)
Vaz, Keith
Wall, Pat
Wallace, James
Walley, Joan
Wareing, Robert N.
Welsh, Andrew (Angus E)
Welsh, Michael (Doncaster N)
Williams, Alan W. (Carm'then)
Wilson, Brian
Winnick, David
Wray, Jimmy
Young, David (Bolton SE)

Tellers for the Ayes:
Mr. Nigel Griffiths and
Mr. Adam Ingram

NOES

Aitken, Jonathan
Alexander, Richard
Allason, Rt Hon Michael
Allason, Rupert
Amery, Rt Hon Julian
Amess, David
Ancram, Alan
Arbuthnot, James
Arnold, Jacques (Gravesham)
Arnold, Tom (Hazel Grove)
Ashby, David
Atkins, Robert
Atkinson, David
Baker, Rt Hon K. (Mole Valley)
Baker, Nicholas (Dorset N)
Baldry, Tony
Banks, Robert (Harrogate)
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas (Pembroke)
Bitten, Rt Hon John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Boscawen, Rt Hon Hon Robert
Bossom, Sir Nicholas
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A (Brighton K'pste'd)
Bowden, Gerald (Dulwich)
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael (Brigg & Cl'th)
Browne, John (Winchester)
Bruce, Ian (Dorset South)
Buchanan-Smith, Rt Hon Alick
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, (Luton N)
Carlisle, Kenneth (Lincoln)
Carrington, Matthew
Carttiss, Michael
Cash, William
Chalker, Rt Hon Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Sir W. (Croydon S)
Clarke, Rt Hon K. (Rushcliffe)
Colvin, Michael
Conway, Derek
Coombs, Anthony (Wyre F'rest)
Coombs, Simon (Swindon)
Cope, John
Cope, Rt Hon Sir John
Cormack, Patrick
Cran, James
Currie, Mrs Edwina
Davies, Q. (Stamf'd & Spald'g)
Davis, David (Boothferry)
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evans, David (Welwyn Hat'd)
Evennett, David
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry (Isle of Wight)
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forsyth, Michael (Stirling)
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Greenway, Harry (Ealing N)
Greenway, John (Ryedale)
Gregory, Conal
Griffiths, Sir Eldon (Bury St E')
Griffiths, Peter (Portsmouth N)
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie (Epsom)
Hamilton, Neil (Tatton)
Hampson, Dr Keith
Hannam, John
Hargreaves, A. (B'ham H'll Gr')
Hargreaves, Ken (Hyndburn)
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Mrs Maureen (Wolv' NE)
Higgins, Rt Hon Terence L.
Hill, James
Hogg, Hon Douglas (Gr'th'm)
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan (Strat'd-on-A)
Howarth, G. (Cannock & B'wd)
Hughes, Robert G. (Harrow W)
Hunt, David (Wirral W)
Hunt, John (Ravensbourne)
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym (Cardiff N)
Jones, Robert B (Herts W)
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Rt Hon Tom (Bridgwater)
Kirkhope, Timothy
Knapman, Roger
Knight, Greg (Derby North)
Knight, Dame Jill (Edgbaston)
Knowles, Michael
Lamont, Rt Hon Norman
Lang, Ian
Lawrence, Ivan
Lee, John (Pendle)
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian (Havant)
Lloyd, Peter (Fareham)
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Sir Neil
MacGregor, Rt Hon John
MacKay, Andrew (E Berkshire)
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. (Newbury)
McNair-Wilson, P. (New Forest)
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Marshall, Michael (Arundel)
Martin, David (Portsmouth S)
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Miller, Hal
Mills, Iain
Mitchell, Andrew (Gedling)
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Morris, M (N'hampton S)
Morrison, Hon P (Chester)
Moss, Malcolm
Moynihan, Hon Colin
Mudd, David
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David (Taunton)
Nicholson, Emma (Devon West)
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patnick, Irvine
Patten, Chris (Bath)
Patten, John (Oxford W)
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Porter, Barry (Wirral S)
Porter, David (Waveney)
Portillo, Michael
Powell, William (Corby)
Price, Sir David
Raffan, Keith
Rateon, Rt Hon Timothy
Rathbone, Tim

Redwood, John	Thompson, D. (Calder Valley)
Renton, Tim	Thompson, Patrick (Norwich N)
Rhodes James, Robert	Thorne, Neil
Ridley, Rt Hon Nicholas	Thornton, Malcolm
Ridsdale, Sir Julian	Thurnham, Peter
Rifkind, Rt Hon Malcolm	Townend, John (Bridlington)
Roe, Mrs Marion	Townsend, Cyril D. (Bexleyheath)
Rost, Peter	Tracey, Richard
Rowe, Andrew	Tredinnick, David
Rumbold, Mrs Angela	Trippier, David
Ryder, Richard	Trotter, Neville
Sackville, Hon Tom	Twinn, Dr Ian
Sainsbury, Hon Tim	Vaughan, Sir Gerard
Scott, Nicholas	Waddington, Rt Hon David
Shaw, David (Dover)	Wakeham, Rt Hon John
Shaw, Sir Giles (Pudsey)	Waldegrave, Hon William
Shaw, Sir Michael (Scarb')	Walden, George
Shelton, William (Streatham)	Walker, Bill (T'side North)
Shepherd, Mrs G. (Norfolk SW)	Walker, Rt Hon P. (Worcester)
Shepherd, Richard (Aldridge)	Walters, Dennis
Sibbyby, Michael	Wardle, Charles (Bexhill)
Sims, Roger	Warren, Kenneth
Skeet, Sir Trevor	Watts, John
Smith, Tim (Beaconsfield)	Wheeler, John
Soames, Hon Nicholas	Whitney, Ray
Spelter, Tony	Widdecombe, Ann
Spicer, Michael (S Worcs)	Wiggin, Jerry
Stanbrook, Ivor	Wilkinson, John
Stanley, Rt Hon John	Wilshire, David
Steen, Anthony	Winterton, Mrs Ann
Stern, Michael	Wolfson, Mark
Stevens, Lewis	Wood, Timothy
Stewart, Andy (Sherwood)	Woodcock, Mike
Stokes, John	Yeo, Tim
Stradling Thomas, Sir John	Younger, Rt Hon George
Sumberg, David	
Summerson, Hugo	Tellers for the Noes:
Tapsell, Sir Peter	Mr. Robert Boscawen and
Taylor, John M (Solihull)	Mr. Tristan Garel-Jones.

Question accordingly negatived.

WELSH GRAND COMMITTEE

Ordered,

That, during the proceedings on the matter of Education and Training for Employment in Wales, the Welsh Grand Committee have leave to sit twice on the first day on which it shall meet, and that, notwithstanding the provisions of Standing Order No. 88 (Meetings of standing committees), the second such sitting shall not commence before Four o'clock nor continue after the Committee have considered that matter for two hours at the sitting.—*[Mr. David Hunt.]*

11.43 pm

Mr. Barry Porter (Wirral, South): On a point of order, Mr. Deputy Speaker. On the Welsh order, in view of what has happened this evening, I understand that only Welsh and Irish Members will be called to represent——

Mr. Deputy Speaker (Sir Paul Dean): Order. We cannot debate the matter now. The House has passed the motion.

Mr. Patrick McManus

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

11.44 pm

Dr. Jeremy Bray (Motherwell, South): My constituent, Mr. Patrick McManus, of 40 Aster gardens, Motherwell, submitted to the Law Society of Scotland four sworn statements from witnesses accusing a local solicitor of failing to respond to their pleas to visit his sister-in-law before her death to finalise her will. His brother, John McManus, died on 2 October 1986 without leaving a will and since there were no children of the marriage his whole estate passed to his widow, Mrs. Eileen Patricia McManus.

The local solicitor attended at the home of Mrs. Eileen McManus on 6 October 1986, four days after the death of her husband, and took instructions on the winding up of the estate. He was also told that she wished him to prepare a will for her, though he did not take instructions at that meeting to prepare a will. Her health deteriorated over the ensuing month, and she died on 6 November 1986. During that period numerous attempts were made to contact the solicitor to get him to see Mrs. Eileen McManus and prepare a will for her. He failed to do so. There are independent witnesses who hold that it was her intention to leave her estate to her brother-in-law, Mr. Patrick McManus, and her sister-in-law. Instead, her whole estate passed to her relatives. The estate was approximately the value of a house.

Mr. Patrick McManus complained to the Law Society of Scotland a few days after his sister-in-law died intestate. The Lay Observer for Scotland, in a report dated 19 November 1987, confirmed that Mr. McManus had complained to the Law Society in a letter dated 24 November 1986. The Law Society had immediately written to the solicitor, asking for his account of the circumstances. It received a detailed, five-page document dated 4 December, with accompanying documents. This was sent to Mr. McManus, who returned full comments on 20 December. The solicitor replied in detail on 5 January 1987.

Mr. McManus, the lay observer continued, had referred to certain people who allegedly had tried to contact the solicitor to get him to attend the late Mrs. McManus. The Law Society, on 21 January, asked for sworn statements by witnesses. Four such sworn statements were sent on 28 January. These were copied to the solicitor, who again sent full comments on 5 February.

Meanwhile, the whole file was circulated to two members of the Law Society for their opinion. It was decided that precognitions should be taken in order to ascertain the strength of evidence of Mr. McManus and his witnesses. These were taken by the Law Society complaints investigator and the whole case was submitted to the complaints committee on 7 May 1987.

The complaints committee took the view that the solicitor's failure to see his client and take her instructions for the preparation of a will in urgent circumstances amounted to a serious professional misconduct, and recommended that the papers be referred to a society facal for prosecution before the Scottish solicitors disciplinary tribunal, the strongest possible action.

The council, however, referred the case back to the committee for reconsideration, and it was then decided

that instead of prosecution a reprimand be issued, but subject to interview. This changed decision, according to the lay observer, was taken after a member of the council, but not of the complaints committee, wrote strongly disputing that there had been professional misconduct. The committee alleges that this letter did not influence the decision.

On 27 August, the solicitor was interviewed by a panel of the Law Society, with his legal representative. Further evidence from the solicitor, in particular an alleged log book of telephone calls and personal callers kept by the solicitor's firm, was presented. It apparently conflicted with parts of the sworn statements of witnesses. I am told that in court a telephone log is not accepted as firm evidence. Yet the Law Society accepted it in preference to the sworn statements of Mr. McManus's witnesses, and without an opportunity for him or his representatives to examine the log. The complaints committee decided that the proposed reprimand should be withdrawn without further inquiry, or Mr. McManus being shown the new evidence. This was later endorsed by the council. Mr. McManus was informed of the Law Society's decision.

The lay observer

"argued that the complainer should first have been advised what information in the log book contradicted the evidence he had submitted and given an opportunity to comment."

The lay observer recommended, in her 1987 annual report, "that whenever decisions to discipline are taken 'subject to interview' of the solicitor, the Council should, before reviewing those decisions, give complainers:—

(a) an opportunity to study new information produced at the solicitor's interview and to submit comments;

(b) an opportunity to be interviewed themselves, if they so wish."

In the course of nine months there had been a complete volte-face by the Law Society, following representations from a fellow solicitor, and without opportunity for Mr. McManus to examine new evidence. The solicitor in question finally escaped without even a reprimand.

Mr. McManus contacted the lay observer, whose report, though couched in carefully measured terms, is scathing. He also contacted me. I had a lengthy correspondence with the lay observer, the Law Society, and the Minister responsible for home affairs in the Scottish Office, the hon. Member for Edinburgh, West (Lord James Douglas-Hamilton). At the suggestion of the lay observer, and with my encouragement, Mr. McManus requested the Law Society to appoint a troubleshooter to investigate the case. The troubleshooter produced, in the estimation of the lay observer, a "very responsible analysis".

This report found that, if it were clearly established that it had been brought to the solicitor's attention that the making of a will was urgent, and that he failed to do so within a reasonable time scale, that could be professional negligence. His explanation that he required to wait until the finalisation of the husband's estate before making a will for the wife is difficult to accept. Unfortunately for Mr. McManus, while in the opinion of the troubleshooter he suffered economic loss, there were no grounds for holding in connection with the making of a will for Mrs. McManus that he was employing the solicitor for that purpose. Mrs. McManus could sue for damages for a professionally negligent act as the client, but she is dead.

There has long been a demand for stiffening the procedures of the Law Society's complaints committee, so that it is less susceptible to pressure from solicitors, and does more to safeguard the interests of clients. The case has been accepted by the Law Society itself. The Solicitors (Scotland) Bill, which is now making rapid progress through Parliament, is a Bill initiated by the Law Society, and agreed by the Law Society, the lay observer, and Scottish Office Ministers. It has all-party support. However, it has been gathering dust in the in-tray of Scottish Office Ministers in one form or another for years. The lay observer has been energetically pressing for the increased powers that the Bill will give her office in report after annual report.

Specifically as a result of a recommendation made by the lay observer on this case, if new evidence is presented, the Law Society's procedure now requires it to be put to the complainer. I welcome unreservedly the increased powers in the Bill given to the lay observer to refer cases to the disciplinary tribunal, and the new powers to discipline solicitors in Scotland in cases of inadequate professional services. I believe that the case of Mr. McManus has played some part in bringing the new Bill before the House. My only regret is that this important Bill was not introduced by the Government, and the issues properly aired. It was left to my hon. Friend the Member for Edinburgh, Central (Mr. Darling) to introduce it as a private Member's Bill. The Bill has gone through Second Reading and Committee on the nod.

Had the Bill been enacted in 1986, Mr. McManus's case would have been handled very differently. As it is, he has so far been left without prospect of recompense. If there was negligence, or reasonable grounds for believing there to be negligence, by a travel agent, a quantity surveyor, or an engineer, there would be some fund from which a person like Mr. McManus could be compensated as a matter of judgment, not of law. It is my hope that the Law Society, and, influenced by colleagues, the solicitor whose failure to act has resulted in Mr. McManus's loss, will find some way of compensating him for his loss. The accumulation of such cases is bound to strengthen the case for lay panels to judge the complaints brought against solicitors. I hope that the Minister will be able to deal with Mr. McManus's case, and, in particular with the means of compensation, and with the complaints procedure generally.

I hope that I have allowed the Minister adequate time to make a full reply.

11.55 pm

The Parliamentary Under-Secretary of State for Scotland (Lord James Douglas-Hamilton): I am grateful to the hon. Member for Motherwell, South (Dr. Bray) for raising this important matter. I was aware of his considerable interest through correspondence I have had with him. I was sorry to learn of the difficulties encountered by his constituent following the deaths of both his brother and sister-in-law. The case concerns the dissatisfaction of the hon. Member's constituent, Mr. McManus, with the Law Society's handling of a complaint alleging professional misconduct against the solicitor who handled the estate of his late brother and sister-in-law.

Although the hon. Gentleman has given an extremely clear exposition of the facts, this is a complicated case, and I should like to run briefly through the main points. The background is as follows. The constituent's brother died in October 1986 without leaving a will. There were no children of the brother's marriage, so his whole estate

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passed to his widow. The widow in turn died in November 1986, also without leaving a will. As a consequence of her death without leaving a will, her whole estate passed to her relatives, and Mr. McManus and his sister were not entitled to any part of that estate.

Shortly after the death of her husband, a solicitor was called to the home of the widow and was instructed to take action to wind up her husband's estate and to prepare a will for her. Subsequent to that meeting, the health of the widow deteriorated rapidly until she herself died the following month. It is alleged by witnesses that, during the period between the meeting at the family home and the widow's death, numerous attempts were made to contact the solicitor to have him call upon her and prepare a will.

In a total of five sworn statements, two witnesses claimed to have visited the solicitor at his office on two occasions to advise him of the lady's failing health and her concern that he had not called upon her in connection with the preparation of a will. It is further claimed by those witnesses that, had a will been drawn up, in all probability the estate of the deceased would have passed to Mr. McManus and his sister. Mr. McManus complained to the Law Society of Scotland about the solicitor's handling of his sister-in-law's instructions as regards her will.

For the benefit of the House, it may be worth while if I explain the general procedure for handling complaints against solicitors. These are a matter in the first instance for the Law Society of Scotland, which under the Solicitors (Scotland) Act 1980 has a general duty to promote the interests of the solicitor profession in Scotland and the interests of the public in relation to that profession. The Law Society will investigate a complaint made to it and has power in the case of a justified complaint to refuse to renew a solicitor's practising certificate, which he or she needs to practise, or at any rate to issue one subject to conditions.

If the Law Society considers that there has been professional misconduct by the solicitor, it may refer the case to the independent Scottish solicitors' discipline tribunal which has power to censure, fine, suspend or strike off the solicitor concerned. The Law Society can also provide a "troubleshooter", who is a solicitor prepared to take action on behalf of a complainer against another solicitor—for example, for negligence.

Should the complainer remain dissatisfied with the Law Society's handling of the complaint after the society has reached its final decision, it is open to the complainer to approach the lay observer for Scotland, who is an independent person appointed by the Secretary of State, to examine complaints about the Law Society's handling of allegations against solicitors. The lay observer, who sees the Law Society's files, can issue an opinion analysing the case and setting out her conclusions, which may include recommendations that the Law Society should take certain action on the complaint. However, the lay observer's opinions are not legally binding upon the Law Society. As the Minister responsible for matters affecting the solicitors' profession, I have general oversight of these arrangements, but am not involved in decisions about individual cases.

Returning to the case raised by the hon. Gentleman, his constituent took all the appropriate steps in pursuit of his complaint. He approached the Law Society for Scotland but, dissatisfied with the way in which it handled his allegations, he took his case to the lay observer for Scotland. The lay observer's opinion expressed concern about a number of aspects of the Law Society's handling of the investigation.

First, the Law Society's investigating committee had taken the view that the solicitor's failure to see his client and take instructions for the preparation of a will in urgent circumstances amounted to serious professional misconduct, and it recommended to the council of the Law Society that the solicitor should be prosecuted before the Scottish solicitors discipline tribunal. The council referred the case back to the committee for reconsideration and the committee then decided that its previous recommendation to prosecute was inappropriate but that a reprimand be issued. The decision to reprimand was accepted by the Council "subject to interview". The solicitor was invited to an interview to restate and elaborate upon the information already provided.

At this point, the society received a submission from a solicitor who was also a member of the society's council supporting the solicitor in respect of whom the complaint had been made, disputing strongly that there had been professional misconduct and questioning the issue of a reprimand. It is recorded in the minutes of the investigating committee and the committee was not influenced by this submission. The solicitor, supported by his legal representative, was interviewed by a panel of the Law Society and, in the light of the information put forward at that interview, the council of the society ultimately decided that the proposed reprimand should be withdrawn. The complainer was informed of the outcome and was sent a full extract from the record of the interview. This was the Law Society's final decision.

As a result of her consideration of the case, the lay observer questioned several aspects of the Law Society's procedure: first, the apparent practice of taking disciplinary action "subject to interview" with the solicitor concerned; secondly, the timing of such interviews; thirdly, the dismissal of evidence contained in five sworn statements from witnesses on the basis of an interview with the solicitor; fourthly, the fact that the complainer was not given an opportunity to comment personally on the points put forward at the solicitor's interview; and, fifthly, the involvement of a council member in presenting personally a case on behalf of a solicitor against whom a complaint had been made. The lay observer noted in particular that failure to give the complainer an opportunity to comment personally on the points put forward at the solicitor's interview was a frequent source of concern to her and that she intended to raise the point in her annual report to the Secretary of State.

The complainer sought the assistance of a troubleshooter to establish whether the facts of the case entitled him, as someone who would have benefited from his late sister-in-law's will, had she made one, to raise an action against the solicitor based upon professional negligence. The troubleshooter took the view that, under existing legislation, even if the solicitor had been negligent, such an action would have little chance of success if pursued through the courts, because the complainer in this case was not the client of the solicitor. In other words, the solicitor was not employed by the complainer for the purpose of preparing a will for his late sister-in-law. A further point at issue, which was derived from the sworn statements of witnesses but which can only remain speculative, is

whether the complainer's sister-in-law, had she made a will, would have excluded succession by her sister and bequeathed her estate to the complainer and his sister.

It would seem that the hon. Gentleman's constituent has exhausted the existing procedures for pursuing his complaint against the solicitor concerned. The lay observer has, as she promised, drawn attention to certain aspects of the Law Society's practice in relation to complaints procedures as highlighted by this case and others like it in her annual report for 1987 which she presented to the Secretary of State for Scotland in March.

I can assure the hon. Member that the Secretary of State and I pay very close attention to the views expressed by the lay observer in her annual reports and to all representations about the Law Society's handling of complaints. The legislation governing solicitors' complaints is kept under continuous review. I understand from the Law Society that it has now changed its procedures so that the complainer will have an opportunity to comment on any points made by the solicitor, no matter at what stage. That was one of the hon. Gentleman's key points about this case.

I should stress that the Law Society's present complaints procedures are geared to alleged professional misconduct. They may be compared with the role of police officers in investigating crime. They are not essentially about civil remedies or making good a loss to a complainer. So even if the solicitor had been found guilty of misconduct, and perhaps fined, he could not have been obliged to make any payment to Mr. McManus.

As regards a civil remedy or recompense, the troubleshooter is firmly of the opinion that no contractual relationship existed between Mr. McManus and his sister-in-law's solicitor and that therefore the solicitor had no professional obligations towards him. A solicitor certainly has a duty of care for the interests of a third party, such as a beneficiary. In this case, however, since his late sister-in-law did not leave a will, Mr. McManus could not be regarded as a beneficiary, despite the assertions of witnesses about the late Mrs. McManus's intentions.

It seems to me that there are no circumstances, therefore, in which the question of ex gratia payments or compensation can arise in this case, which is of course a very unusual one. The legislation governing the procedures for dealing with complaints against solicitors already makes provision for the payment of compensation in certain cases, which I went into thoroughly.

The Scottish solicitors guarantee fund, administered by the Law Society, to which all practising solicitors in Scotland must contribute as a condition of receiving their practising certificate, exists for the purpose of making grants in order to compensate persons who in the opinion of the Law Society suffer pecuniary loss by reason of dishonesty on the part of any solicitor, employee of a solicitor or an incorporated practice. Also, in the interests of consumer protection, the Law Society requires that all practising solicitors must take out and maintain an insurance policy under the society's master policy for the purpose of providing indemnity against any class of professional liability.

In Mr. McManus's case, it seems to me that he would be unlikely to qualify for redress from the guarantee fund for two reasons. First, the Law Society's investigations failed to produce any evidence of dishonesty on the part of the solicitor against whom complaint had been made. Secondly, it cannot be said that Mr. McManus lost his own money as a result of the actions of the solicitor. In the case of recompense through the indemnity fund, the troubleshooter has advised strongly against Mr. McManus raising an action for damages because of the cost involved and on the grounds that he would be unlikely to succeed as he was not a direct beneficiary.

As the hon. Gentleman will be aware from recent correspondence, one important recommendation made by the lay observer in her 1986 annual report was that she should have powers to refer complaints direct to the Scottish solicitors discipline tribunal when she believes that the Law Society has reached a faulty decision. This recommendation has been incorporated into the provisions of the Solicitors (Scotland) Bill which is currently before the House. The Bill is sponsored by the hon. Member for Edinburgh, Central (Mr. Darling) and has benefited from Government assistance with drafting, and I strongly support it.

The Law Society of Scotland has demonstrated a strong case for introducing this Bill in the current Session so as to give it the powers it desires as quickly as possible. I recognise the point made by the hon. Member for Motherwell, South that he would have preferred the Government to do this. Unfortunately, pressure on the legislative programme meant that there was no Government time available to devote to the Bill. We were pleased to give drafting assistance for a private Member's Bill as the most appropriate method of bringing these provisions, which are considered to be worth while by hon. Members from all sides of the House, into force at the earliest convenient opportunity. The first solicitors' Bill was a private Member's Bill.

As the hon. Gentleman will know, the handling of the Bill is the responsibility of the Member promoting it. The Bill is designed, among other things, to extend the powers of the council of the Law Society and the discipline tribunal to enable them to deal with cases of inadequate professional services in addition to cases of professional misconduct as at present. The Bill would also enable such complaints to be made not only by the solicitor's client but by anyone having an interest in the services provided by the solicitor. It is intended that the Bill will come into effect six months after enactment, but its provisions will not be retrospective except in relation to services whose provision is continuing. It would not be appropriate to impose penalties on solicitors under the new arrangements for work carried out before the new disciplinary powers had been defined and set in place.

I fully recognise that these legislative proposals cannot benefit the hon. Gentleman's constituent. Beyond empowering the lay observer to report a case to the discipline tribunal, I do not think that they would help Mr. McManus directly, since he was not a beneficiary of a will. Nevertheless, his case was very much in mind in the drafting of the Bill and I hope that the assistance we have provided for the Bill will stand as evidence of our concern that these matters should be properly regulated, and of our willingness to take action when the circumstances require it.

It is very much to the credit of the hon. Gentleman that he has taken this case as far as it is possible to take it. This case has highlighted the need for reform in a number of areas. It highlights, for example the capacity of anyone having an interest both to report complaints to the Law

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Society and discipline tribunal and also to have the opportunity to respond to new evidence put before the Law Society on behalf of the solicitor.

These reforms are being introduced in the first case by the Solicitors (Scotland) Bill and in the second case by the reformed practices of the Law Society. This leads to the question whether reform should be retrospective. The case against retrospective legislation is that it is very difficult to observe a law that is not enacted, not in force and not known about. Furthermore, it is unfair to expect solicitors to conform to laws that are not in existence. While I sympathise very much with the hon. Gentleman's constituent, the disadvantages of retrospective legislation outweigh any possible advantage to his constituent. None the less, the hon. Gentleman and his constituent can take some consolation from the reality that their perseverance and dedication were factors giving rise to the terms of the Solicitors (Scotland) Bill, which I hope will receive its Third Reading before long.

Question put and agreed to.

Adjourned accordingly at thirteen minutes past Twelve o'clock.

House of Commons

Thursday 19 May 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Royal Assent

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

1. Licensing Act 1988.
2. Matrimonial Proceedings (Transfers) Act 1988.
3. Felixstowe Dock and Railway Act 1988.

PRIVATE BUSINESS

LONDON REGIONAL TRANSPORT BILL *(By Order)*

Order read for resuming adjourned debate on Question [10 December], That the Bill be now considered.

Debate further adjourned till Thursday 26 May.

TEIGNMOUTH QUAY COMPANY BILL *(By Order)*

YORK CITY COUNCIL BILL *[Lords] (By Order)*

CARDIFF BAY BARRAGE BILL *(By Order)*

FALMOUTH CONTAINER TERMINAL BILL *(By Order)*

NORTH KILLINGHOLME CARGO TERMINAL BILL *(By Order)*

Orders for Second Reading read.

To be read a Second time upon Thursday 26 May.

ST. GEORGE'S HILL, WEYBRIDGE, ESTATE BILL *(By Order)*

Read a Second time and referred to the Examiners of Petitions for Private Bills.

NEWCASTLE UPON TYNE TOWN MOOR BILL *[Lords] (By Order)*

Order for Second Reading read.

To be read a Second time upon Thursday 26 May.

ASSOCIATED BRITISH PORTS (NO. 2) BILL *(By Order)*

Order read for resuming adjourned debate on Question [11 May], That the Bill be now read a Second time.

Debate further adjourned till Thursday 26 May.

Oral Answers to Questions

HOME DEPARTMENT

Nationality Applications

1. **Mr. Hanley:** To ask the Secretary of State for the Home Department what progress has now been made on clearing the backlog of nationality applications at Lunar house; and if he will make a statement.

5. **Mr. Turner:** To ask the Secretary of State for the Home Department if he will make a statement on the present backlog of applications for British nationality.

The Minister of State, Home Office (Mr. Tim Renton): Good progress is being made. All applications received before 31 December have been acknowledged and passports and other documents returned to applicants.

We still face a formidable task in dealing with some 268,000 outstanding citizenship applications. They include over 80,000 naturalisation applications and 187,000 for registration as British citizens. To deal with the latter we have decided to establish a new nationality office in Liverpool, where we will create over 100 new jobs. Suitable accommodation has been identified and negotiations for its lease are in hand.

It will not be practicable to reach decisions on all the registration applications by the end of the year, as the Select Committee on Home Affairs has recommended, but I am confident that a substantial proportion will be decided by April 1989 and the remainder during the following 12 months.

Mr. Hanley: I congratulate my hon. Friend on the progress that has been made and the staff at Lunar house on meeting their immense task. Does my hon. Friend agree that the heavy work load at Lunar house was the result of more than 250,000 people leaving it until the last minute, having been given seven years within which they could have applied? Does my hon. Friend also agree that publicity should be given earlier to help not only the staff at Lunar house but those who have made applications? Would it not be sensible to do that with passports, where early application is always sensible?

Mr. Renton: I thank my hon. Friend for his kind remarks. I shall pass his congratulations on to the staff and management at Lunar house, who have worked hard to deal with the great mountain of work that arrived, particularly in the last weeks of December.

Active publicity to remind people that registration for citizenship applications had to be in by the end of last year started fairly early in 1987. I was pressed to increase the advertising and the number of leaflets to ensure that everyone knew, and that was done. Such was the success of the advertising campaign that we received a great many nationalisation applications—more than usual—even though there was no deadline.

Mr. Turner: Will the Minister show some humility, in view of the answer that he has just given, to the plight of those 280,000 people who are suffering indignity, frustration and anxiety as a result of the Government's incompetence? Irrespective of his announcement about the

100 new jobs, when will he reach out to those who at present believe themselves to be stateless, respond to their requirements and do the necessary and honourable thing?

Mr. Renton: As the House will know, I am a naturally humble person. However, most of the people who applied —100,000 in December alone—had waited five years before the deadline was announced before submitting their applications. They were in no hurry to apply. The hon. Gentleman must realise that application for British citizenship is important and should not be decided in a great hurry. In the intervening period, while their applications are being processed, we have told them many times that they will lose nothing by way of social security, pension, housing benefits or voting rights, so they have nothing to worry about. Perhaps the hon. Gentleman will pass that message on to his constituents.

Mr. Budgen: Does my hon. Friend realise that those hon. Members who represent constituencies which contain many immigrants could have told him that there would be a flood of applications? We recognise that those applications should be dealt with properly, if necessary, by employing a large number of temporary assistants.

Mr. Renton: My hon. Friend's expertise on this matter is very different from that of officials in the immigration and nationality department at Lunar house. They took advice from a number of people in 1986 and were advised that most of the people who wanted British citizenship under the registration procedures had already applied in previous years.

The Department has increased its administrative divisions by 300 posts in the past three years. One hundred and eighty clerical staff were recruited last year, and over 300 applications for clerical posts are being processed at present. I assure my hon. Friend that we are making every effort to increase the staff complement.

Mr. Madden: Why did the Minister reject the urgent advice given to him by senior members of his own staff last summer that the arrangements for dealing with the inevitable number of applications were wholly insufficient? He is also the victim of justified criticism from the Select Committee on Home Affairs which roundly criticised him for presiding over an administrative shambles when the Government had several years to plan for this. The hon. Gentleman should have appointed the necessary staff to deal with the applications. He has failed and he should resign.

Mr. Renton: The hon. Gentleman has again made his Second Reading speech on the Immigration Bill. There is no record of the trade union side at Lunar house having given officials and management such advice. When I met trade union officials at Lunar house in early February, they did not wish to recommend the staff at Lunar house even to do overtime. The management had to work extremely hard to persuade the staff to do overtime.

Mr. Churchill: Is it not clear that, if present trends continue, accommodation will have to be found in this country over the next 10 years for about 500,000 new immigrants? What provision are the Government making in their costings for assisting those areas of the country, to which the immigrants are likely to come, to provide additional housing, schools and hospitals?

Mr. Renton: As my hon. Friend will realise, that is a matter not so much for the Home Office as for the Department of the Environment. However, we are actively engaged in a number of initiatives—for example, an inner cities initiative to help those who have recently arrived in this country to become involved in their own small businesses. Last year the number arriving here for permanent settlement was 45,000—the lowest for many years and only about half of what it was in the 1970s.

Mr. Randall: Is the Minister aware that 60 per cent. of telephone calls coming into Lunar house are wholly ignored, not even being received on a telephone answering machine? How does he justify that policy?

Mr. Renton: The hon. Gentleman's remarks are out of date. The telephone inquiry bureau has shown a marked improvement in recent weeks, and an improvement was certainly needed.

Mr. Randall: Since I have been there.

Mr. Renton: A few weeks ago the hon. Gentleman and the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) visited Lunar house, and they spent the greater part of their time, according to the *Observer*, looking for a photo opportunity in front of the mail bags. That may have been of great help to becoming a political tennis star, but it did nothing to help the problems of Lunar house.

Several Hon. Members *rose*——

Mr. Speaker: Order. This is an important matter, but I hope that we can now proceed more rapidly.

IBA and BBC (Chairmen)

2. **Mr. Gerald Howarth:** To ask the Secretary of State for the Home Department when he last met the chairman of the Independent Broadcasting Authority and the chairman of the British Broadcasting Corporation; and what matters were discussed.

The Secretary of State for the Home Department (Mr. Douglas Hurd): I am in regular touch with both chairmen on a wide range of broadcasting matters.

Mr. Howarth: Next time my right hon. Friend meets the two gentlemen concerned, will he remind them that those who broadcast to the nation are part of the nation, not an elitist super race apart? Will he further remind them that it is they who act as censors and that the new Broadcasting Standards Council will serve as a vital test of accountability towards the viewer, which is badly needed? Does my right hon. Friend consider that one best suited to serve that accountability purpose may be Mrs. Mary Whitehouse?

Mr. Hurd: Mrs. Whitehouse's role in this matter has been well recognised. The truth is that it has been difficult to portray Sir William Rees-Mogg convincingly either as a gauleiter or as a vandal. I hope that as the waves subside on this matter he can get on with the broadcasting authorities and work out how the new council will operate in practice. We can judge a little later what the statutory definition and power should be.

Several Hon. Members *rose*——

Mr. Speaker: Order. I remind hon. Members that there is a further question about the Broadcasting Standards Council.

Mr. Menzies Campbell: When the Secretary of State next meets the chairmen of the IBA and BBC, will he congratulate them on the continuing high standard of broadcasting in the United Kingdom and assure them of his support to ensure that their independence is not compromised?

Mr. Hurd: Indeed, Sir. When we publish a White Paper on television, which will probably not be until the autumn, the hon. and learned Gentleman will see the huge change that will come over television in the form of greatly expanded choice for viewers, going well beyond the present scope of the BBC and IBA. We must deregulate to make that wider choice available, while keeping a grip on standards.

Mr. Stanbrook: In the light of the decision by the two authorities to allow a television broadcast giving a one-sided account of the Gibraltar incident, is my right hon. Friend satisfied that those two authorities serve the public interest? Should there not be a review of who is to determine public interest, rather than leave it to a group of nominated people and programme makers who are not elected to that capacity?

Mr. Hurd: My right hon. and learned Friend the Foreign Secretary made it clear to both chairmen, in his letters about showing the programmes on Gibraltar, that he was appealing to them on grounds of responsibility rather than law. My view is that it is for the broadcasting authorities to discharge their duties in this area and that they are helped rather than hindered by a robust give-and-take between broadcasters and politicians.

Mr. Winnick: Leaving aside the obvious and continuous vendetta by many Tories against the broadcasting authorities, in his talks with the chairmen of those authorities did the Home Secretary mention that he would make it far more difficult for retired people to get a concessionary television licence? Does the Secretary of State realise that his statement in his written answer that appears in yesterday's *Hansard* will be greeted with disgust by many retired people who will now find it more difficult to obtain a concessionary television licence fee? Why should not all pensioners be able to claim a concessionary television licence fee on the lines that I proposed in my Bill that was defeated?

Mr. Hurd: If we did what the hon. Gentleman suggests, the cost to other licence holders, many of whom are worse off than pensioners, would be substantial. The hon. Gentleman has not thought the matter through. We had to deal with the unsatisfactory 5p concessionary licence. We could not abolish it without substantial grievance and hardship. The solution that I outlined yesterday is sensible and fair in the circumstances.

Terrorism

3. **Mr. McLoughlin:** To ask the Secretary of State for the Home Department what further measures he is taking to co-ordinate action against terrorism, in the light of recent events.

Mr. Hurd: The Government have taken and will continue to take a leading role in international co-operation to prevent and fight terrorism. I shall be meeting Interior and Justice Ministers of the Trevi Group on 3 June at Munich and we shall take stock of a number of recent improvements in European co-operation in this area and, I dare say, discuss further proposals. Within the United Kingdom I believe that there is effective co-operation between the police and other agencies concerned.

Mr. McLoughlin: Does my right hon. Friend agree that the Prevention of Terrorism (Temporary Provisions) Act 1984 is important? Is it not a great shame, bearing in mind the important fight against terrorism, that the official Opposition refused to support the Act although they supported it when they were in office? They have opposed it only since they have become the Opposition.

Mr. Hurd: The Opposition not only supported the Prevention of Terrorism (Temporary Provisions) Act 1984; they invented it. We will have to produce and put before the House a new Prevention of Terrorism Bill because the old one is coming towards the end of its five-year life. That will give the Opposition a chance to reflect and take stock. Reinforcing my hon. Friend's comments, it would considerably strengthen the nation's efforts against terrorism if Opposition Members could bring themselves to change their position yet again and support a robust measure.

Mr. McCusker: Does the Secretary of State agree that sentencing policy should play a major part in the fight against terrorism? In the Secretary of State's view, what conditions should a convicted terrorist have to meet to qualify for remission of sentence?

Mr. Hurd: That depends on the offence for which the terrorist was convicted. If the hon. Gentleman wants to draw specific cases or instances to my attention or to that of my right hon. Friend the Secretary of State for Northern Ireland, I hope that he will do so.

Mr. Burt: As regards international terrorism, will my right hon. Friend assure the House that he and his international colleagues will bend their minds to the difficult question of press and television coverage of incidents like the recent hijacking? Does he agree that the considerable publicity given to hijackers' demands can sometimes contribute to the problems of terrorism? Will he consider the difficult area of censorship associated with that problem?

Mr. Hurd: I agree that it is a difficult and sensitive area. It is a matter not so much of censorship as of responsibility. Obviously the broadcasting media in any free society need to report the news with some calculation of the consequences of their actions in what they do and do not show. That matter needs consideration.

Mr. Cryer: Does the Home Secretary accept that pressure from the Common Market will mean the removal of all internal barriers by 1992? Is he satisfied that adequate precautions will be taken to scrutinise people to detect terrorists and the movement of drugs after 1992? Does he further accept that while he may have reservations about this, many member states want the complete removal of barriers, whatever the consequences for the increase of international drug trafficking and terrorism?

Mr. Hurd: The hon. Gentleman has made a very important point. Fortunately, we are not alone in stressing its importance. The Single European Act, from which the movement towards 1992 flowed, made it clear that member states must be free to continue to take effective measures against terrorists and drug traffickers. In all our detailed discussions on the movement towards 1992—for example, regarding the Channel tunnel—it will be important to maintain effective controls for those purposes.

Mr. Marlow: What is the media's role in the fight against terrorism? It would seem that they compete with *each other in providing* entertainment for the public rather than an objective review of the facts. What can be done to prevent the media from providing gratuitous support for acts of terrorism?

Mr. Hurd: The media need to consider carefully, whether in Northern Ireland or elsewhere, the distinction between reporting the news—letting the citizen know what is happening, without disguising the fact that we live in a brutal and violent world—and adding gratuitously to scenes of violence, thus providing, according to Lord Annan's description when he discussed this matter, additional publicity which serves the terrorist without actually adding in any way to the information of the citizen.

Broadcasting Standards Council

4. **Mr. Morley:** To ask the Secretary of State for the Home Department if he has yet decided on the terms of reference for the Broadcasting Standards Council.

Mr. Renton: My right hon. Friend the Secretary of State set out the terms of reference for the Broadcasting Standards Council in his statement to the House on 16 May.

Mr. Morley: Is the Minister aware that on 16 May the Secretary of State failed to give an assurance to my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) that the Broadcasting Standards Council would not interfere with the political and current affairs contents of programmes and would restrict itself to standards of decency? Is he further aware that there is a great deal of anxiety that the council will duplicate what already exists simply so that the Government can manipulate it? The Government already have the press in their pocket. Can the Minister give the House a categorical assurance that the broadcasting authorities will be free to comment as they see fit?

Mr. Renton: Of course broadcasting authorities will be free to comment as they see fit. They have already commented and made known their views on the setting up of the Broadcasting Standards Council. Doubtless it is right that they should have that democratic right, and that will continue.

On his first point, the hon. Gentleman is wrong. When my right hon. Friend announced the setting up of the council, he described its remit and said that it was strictly confined to questions of sex, violence and standards of taste and decency. When asked whether it would be possible for those powers to be added to or diminished, he made the point that the council's role will be debated in the House—for example, in the course of future legislation. I have no doubt that at that time hon. Members on both sides of the House will seek to add to or diminish its powers.

Mr. Lawrence: Is my hon. Friend aware that many parents in Britain are angry about the steady diet of pornography, near-pornography and violence that is fed to their children on practically a nightly basis and fed up with the whining and whingeing of the broadcasting authorities which have been given plenty of opportunities to put their house in order, but have deliberately refused to do so?

Mr. Renton: I agree with my hon. the learned Friend. It was because of that anxiety that, in our election manifesto a year ago, we committed ourselves to bringing forward proposals for stronger and more effective arrangements. That is what we are now doing. I hope that the Broadcasting Standards Council will prove the cure to the disease. If so, its setting up will prove a worthwhile exercise.

Mr. Tony Banks: I am sure that the Prime Minister wants to make the BBC as fair and impartial as *The Sun* and the *Daily Mail*. How long will the Broadcasting Standards Council exist on a non-statutory basis, and how much will Sir William Rees-Mogg be paid as chairman of that censorship body?

Mr. Renton: The hon. Gentleman is wrong to refer to the council as a censorship body. Its purpose to reflect the views of and receive complaints from the public on programme content and decency. I am sure that the hon. Gentleman has constituents, as I have, who will be pleased that an outside body is now looking at such complaints.

Sir William Rees-Mogg will receive a salary at the outset of £30,000 a year. We are setting up the council on a non-statutory basis so that it can get on with its work straight away. If legislation is needed to reinforce its work, that will be incorporated in the major broadcasting Bill that we shall bring before Parliament in due course.

Electronic Tagging

6. **Mrs. Virginia Bottomley:** To ask the Secretary of State for the Home Department what representations he has received on proposals to use electronic tagging for remand prisoners.

The Minister of State, Home Office (Mr. John Patten): We have received correspondence from interested bodies suggesting various uses for electronic tagging, including its use for people remanded on bail. We are making inquiries into the systems which are available and considering what applications they might usefully have.

Mrs. Bottomley: I thank my hon. Friend for his open-minded response. Does he agree that when one fifth of the prison population are on remand, and when two thirds of the women and one third of the men on remand do not subsequently receive custodial sentences, in the interests of civil liberty, cost saving and public confidence it is right that the tagging option should be explored? Will he join me in condemning the knee-jerk reaction of the Labour party, which is only too anxious to complain about the size of the remand population, but which looks with a closed mind at any prospect of tackling it?

Mr. Patten: I agree with my hon. Friend that the Opposition do not have an idea between them about dealing with the remand problem. Electronic tagging, subject to many safeguards, may be extremely useful in enabling people to be kept on remand outside the prison system. I am sure that that would be welcomed by all Members.

Mr. Alex Carlile: Does the Minister agree that some courts may be less willing than others to have people tagged by the attachment of an object, either voluntarily or compulsorily, to their arms or legs? Will the Home Office consider alternatives, including the provision of the equivalent of a paging device in the accused's home, which would allow the police to make spot checks on a remanded person's whereabouts?

Mr. Patten: The hon. and learned Gentleman, unlike many of the hon. Gentlemen surrounding him, is extremely open-minded and is at least prepared to examine proposals aimed at achieving a reduction in the prison population. He may agree with me that asking people to carry an electronic tag or a paging device would be less of an intrusion into civil liberties than putting them in gaol.

Mr Wheeler: Does my hon. Friend agree that technological developments now make it possible for a variety of strategies to be considered under the general umbrella of tagging? Does he agree also that, as this debate continues, even probation officers are beginning to recognise the advantage of keeping people out of prison, and perhaps some people out of remand centres, by the adoption of such technology?

Mr. Patten: The technologies are developing rapidly and I agree with my hon. Friend that the probation service now has a golden opportunity to move centre stage in dealing with remand prisoners and with others who might otherwise be sent to gaol for committing non-violent, non-serious crimes.

Remand Centre (North Wales)

7. **Mr. Ieuan Wyn Jones:** To ask the Secretary of State for the Home Department what plans his Department has to establish a remand centre in north Wales.

The Parliamentary Under-Secretary of State for the Home Department (Mr. Douglas Hogg): None at present. Last month the Prisons Building Board invited the private sector to submit outline proposals for the construction of urban remand centres. The responses are still being evaluated, but any new remand centres are likely to be sited in the main conurbations.

Mr. Jones: Is the Minister aware that the majority of remand prisoners in north Wales are held at Risley remand centre, which is a considerable distance from that region's rural areas? There is also concern about the conditions at Risley. Is the Minister not worried about the terrible inconvenience caused to the families of remand prisoners in having to travel the distances involved, as well as that caused to their solicitors and to the prisoners themselves? Will he review his decision and consider providing remand facilities in north Wales?

Mr. Hogg: There is a place in the building programme for a prison at Wrexham. Unfortunately, that proposal has not been received with complete enthusiasm by the local representatives. I hope that the point made by the hon. Gentleman will be considered by local residents.

Criminal Cases (Right to Silence)

8. **Mr. Flynn:** To ask the Secretary of State for the Home Department if he has any plans to seek to alter the present right to silence of suspects and defendants in criminal cases.

Mr. John Patten: I refer the hon. Member to the reply given to my hon. Friend the Member for Lancashire, West (Mr. Hind) yesterday.

Mr. Flynn: Does the Minister agree that, while the mass of police interrogations are carried out in an exemplary manner, there have been worrying cases of alleged confessions that have afterwards been found to be false? This can be seen in the conclusions of the Mars-Jones inquiry. Examples are the Timothy Evans case and the Confait case, in which several youths, one mentally retarded, were alleged to have made confessions which were afterwards found to be false. Does the Minister not consider that any decision on ending the right to silence is premature, and that in attempting to create a law to deal with hardened criminals he is putting at grave peril the interests of the weak, the inadequate and the innocent?

Mr. Patten: The weak, the inadequate and the innocent are well covered by the codes of practice in the Police and Criminal Evidence Act 1984. The hon. Gentleman is right. This is a complex subject, and that is why my right hon. Friend the Home Secretary announced an inquiry yesterday.

Mr. Hind: I am very grateful to my right hon. Friend the Home Secretary for the comprehensive answer that he gave to my written question yesterday. When my hon. Friend assesses this problem, will he look very carefully at the Criminal Law Revision Committee report of 1972, bearing in mind that when the right to silence was introduced there were no solicitors in police stations or at interviews, or any tape recordings? We must keep pace with the new advances in technology and the changes in the laws of evidence.

Mr. Patten: My hon. Friend is right. Since the CLRC reported in 1972 many changes have taken place, both in legislation, such as the Police and Criminal Evidence Act, and in technology, such as the universal introduction of tape recording in police stations, which we hope to have in place by 1991. These are complex issues, however, and that is why my right hon. Friend said in answer to my hon. Friend's question yesterday that he would look into the matter as soon as possible.

Mrs. Taylor: Does the Minister not realise that there is widespread concern about the proposed erosion of the principle that someone is innocent until proved guilty? Why is the Home Secretary going ahead with the abolition of the right to silence before the results of the Government-funded research are published? Is it not irresponsible to make such a fundamental change to our criminal procedures without first obtaining all the evidence that is available? If the Government are willing to spend money on research, why are they not willing to wait until the findings of that research are forthcoming?

Mr. Patten: The hon. Lady is a little confused about the issues. My right hon. and learned Friend is not proposing to abolish the right to silence. He is proposing to set up a committee to look into the possibilities of abolishing the "right to ambush", by which I mean a defendant introducing into a trial at the last minute a line of defence that has not been previously disclosed. This often means that a prosecution case collapses, and sometimes people with a case to answer go free.

Remand System

9. **Mr. Sackville:** To ask the Secretary of State for the Home Department when he expects to publish his Green Paper on plans to introduce the private sector into the remand system.

Mr. Hurd: Before the summer recess. We are also moving forward with the selection and appointment of management consultants to help in examining the practical issues.

Mr. Sackville: Does my right hon. Friend agree that because of overcrowding, drug abuse and other serious problems affecting our prisons it is unwise and inappropriate to expose unconvicted men and women to such a system? We have a lot to learn from certain American states about the treatment of remand prisoners.

Mr. Hurd: I think that my hon. Friend is probably right. I believe that the new bail hostels that I have announced will help, but I hope that we can bring the private sector into the business of not only constructing, but possibly managing, remand centres. We have asked the private sector for ideas on design and on quick methods of constructing open prisons and remand centres. We have had 30 responses, which I find encouraging. The Prisons Building Board will go through the responses and work out the proposals in greater detail.

Mr. Ashby: Will my right hon. Friend consider very carefully the close involvement of the private sector in the design and building of special remand centres? Will he also consider the smaller, localised remand centre, perhaps attached to or close to a court, or group of courts, so that there can be speedy access to people in custody and they can be remanded without the problem of having to go to distant police stations or prisons?

Mr. Hurd: The answer to my hon. Friend's first question is yes. His second suggestion is well worth considering in the Green Paper that we are preparing.

Police Officers (Prosecutions)

10. **Mr. Wray:** To ask the Secretary of State for the Home Department how many members of police forces have, for each year since 1974, been *(a)* tried and *(b)* convicted for conspiring to pervert the cause of justice.

Mr. Douglas Hogg: The available information about criminal charges brought against police officers does not identify separately charges of conspiracy to pervert the course of justice, and I regret that the information requested could be obtained only at disproportionate cost.

Mr. Wray: Does the Minister agree that there has been much anxiety about a number of cases over the years, culminating in two recent cases, the Chelsea gang case, and the Stirton case, where the dubious fabricated evidence has cost the taxpayer money? Will the Home Secretary review the present arrangements, by bringing out a Green Paper?

Mr. Hogg: There is absolutely no need.

Mr. Nicholas Bennett: Does my hon. Friend agree that the very small proportion of police officers who attempt to pervert the course of justice is symptomatic of what a good police force we have? Does he agree also that it compares favourably with police forces abroad, and that we should be concerned about the number of police officers who are injured?

Mr. Hogg: Absolutely.

Mr. Campbell-Savours: Why is the Police Federation so reluctant to give legal support to Inspector Woollard? Does the federation believe that if he were to go to court some police officers would be prosecuted for offences?

Mr. Hogg: I should be inclined to ask the chairman of the Police Federation.

Double Parking Offences

11. **Mr. Harry Greenway:** To ask the Secretary of State for the Home Department how many vehicle owners have been convicted of double parking in London in the past 12 months; and if he will make a statement.

Mr. Douglas Hogg: Drivers who double park may be charged with the offences of breaching waiting restrictions, unnecessary obstruction or leaving a vehicle in a dangerous position. In the Metropolitan and City police force areas there were over 11,500 convictions for these offences and nearly 2·7 million fixed penalty notices were issued. These offences may also be committed by persons who have not double parked, and I regret that it is not possible to identify double parking cases within these total figures.

Mr. Greenway: Is my hon. Friend aware of the serious shortage of parking spaces in London and the increase in double parking for that reason? What view does he take of parking tickets being issued at 4 am and 5 am when people have double parked for short periods because no other parking is available? Will he take steps to see that more parking is made available, so that double parking may cease?

Mr. Hogg: I suspect that the case to which my hon. Friend is referring reinforces his belief that it is best to travel to work on a horse.

Firearms

12. **Mr. Boswell:** To ask the Secretary of State for the Home Department if he will make it his policy to break down future statistics for the use of firearms in the commission of crimes between those that are, or are not, held on firearm or shotgun certificates.

Mr. Douglas Hogg: It is not practicable, because many firearms used in offences are either not recovered or have had their serial numbers or distinguishing marks removed. There is no way of telling, therefore, whether they were originally held on a firearm or on a shotgun certificate.

Mr. Boswell: Given the considerable burdens that the new legislation will impose on legitimate shooters, will my hon. Friend reconsider whether he could publish as much as possible about the difference between guns which are held legally and those which are not known to be held legally, and whether he can measure as far as possible the leakage of legitimate guns, badly stored, into the illegitimate sector?

Mr. Hogg: My hon. Friend will find two provisions in the Bill which will reassure him: first, the requirement for shotgun owners to identify and list their guns; and, secondly, the additional obligation on dealers to keep their registers for five years.

Official Secrets Act

13. **Mr. Cohen:** To ask the Secretary of State for the Home Department when he expects to make a statement on his proposals for the reform of the Official Secrets Acts.

Mr. Hurd: I hope, as already stated, to lay before Parliament next month a White Paper setting out the Government's proposals for the reform of section 2 of the Official Secrets Act 1911.

Mr. Cohen: Can the Home Secretary give precise details of the timetable? Reform has been promised for eight or nine years. He was party to the punishing of his own Back Benchers some weeks ago, and precisely laid out on BBC radio some days after that what the White Paper would contain. Can he set out a timetable for the Bill after the White Paper and what consultations are likely?

Mr. Hurd: The hon. Gentleman has got the history wrong. We restarted work on this in April of last year. I said, I think for the first time in December last year when my hon. Friend's Bill was debated, that we intended to lay before Parliament next month a White Paper. That is still our intention.

Law and Order Budget

14. **Mr. Sumberg:** To ask the Secretary of State for the Home Department what is the law and order budget within his Department for 1988-89; what was the comparable budget for the last 10 years; and what proportion of the budget is devoted to police manpower costs.

Mr. Hurd: The Home Office law and order budget for 1988-89 is £5,098 million, of which 61 per cent. is devoted to police manpower costs. I will, with permission, circulate in the *Official Report* the figures for the Home Office law and order budget for previous years.

Mr. Sumberg: Are not those figures proof-positive of the Government's commitment to the police force? Will my right hon. Friend join me in condemning those Left-wing Labour councils throughout the country which knock the police constantly, spend ratepayers' resources on that and thus destroy the safety of law-abiding citizens whom they are supposed to represent?

Mr. Hurd: My hon. Friend is perfectly right. There are still too many snipers of the police about, and unfortunately some of them are still on the Opposition Benches.

The figures are as follows:

	£ million
1978-79	1,556
1979-80	1,971
1980-81	2,412
1981-82	2,855
1982-83	3,166
1983-84	3,462
1984-85	3,921
1985-86	3,967
1986-87	4,308
1987-88	[1]4,832
1988-89	5,098

[1] Estimated outturn.

This is the gross expenditure in England and Wales on police, prisons, the magistrates' courts, the probation service and the criminal injuries compensation scheme.

PRIME MINISTER

Engagements

Q1. **Mr. Ray Powell:** To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Mr. Powell: Will the Prime Minister reflect on the reception that she received last Saturday at Hampden park? Does she now realise that some of her decisions are even worse than the referee's? Last Tuesday, when she replied to my hon. Friend the Member for Ealing, Southall (Mr. Bidwell), she stated that everyone in the country had enjoyed increased prosperity. Will she explain why, in 1979, my constituents in Ogmore were employed in the steel works and in the mines and were earning £150 to £240 a week, whereas many are now on the dole and have been unemployed for five years, as have 2 million others? How can she say that they are enjoying increased prosperity?

The Prime Minister: The answers to the parts of the question that I was able to hear are, first, that I very much enjoyed the game at Hampden park and the visit to the flower festival in the morning, and we had an excellent conference the night before. Secondly, everyone has participated in the increased prosperity. Average earnings are very much up, taxation is very much down, personal allowances are very much increased, social security benefits have increased enormously and so have the health services.

Mr. Stokes: Will my right hon. Friend consider whether any action can be taken against the BBC and ITV for their attitude towards the security forces in the fight against terrorism? Would any other country tolerate such behaviour, and is not their action a stab in the back for the nation?

The Prime Minister: As my hon. Friend is very well aware, if there are any complaints they should be made, not to me, but to the BBC complaints authority or to the chairman.

Mr. Kinnock: Is the Prime Minister satisfied with the effect on the pound/deutschmark rate of the interest rate —*[Interruption.]*

Mr. Speaker: Order. It takes up a lot of time.

Mr. Kinnock: Is the Prime Minister satisfied with the effect on the pound/deutschmark rate of the interest rate cut on Tuesday?

The Prime Minister: I made a very comprehensive statement on Tuesday. If the right hon. Gentleman wants to know the unwisdom of asking direct questions about the exchange rate, he should see what happened when certain Labour Back Benchers, who later became Front Benchers, asked such questions of—as they are now—Lord Wilson and Lord Callaghan. It was absolutely catastrophic. I have nothing to add to the statement that I made on Tuesday.

Mr. Kinnock: Now perhaps the Prime Minister will give us the answer. Is she satisfied that D 3·17 to the pound is sustainable, or unsustainable?

The Prime Minister: I have nothing further to add. I commend to the right hon. Gentleman the references that I made. He will learn a great deal from them.

Mr. William Powell: Now that we have seen yet another substantial fall in unemployment as a result of the Government's policies, will my right hon. Friend reflect on the fact that it was in March 1979 that the closure of Corby steel works was announced and 8,000 people lost their jobs in my constituency? Today, the number of people out of work and claiming benefit in Corby town has fallen below 2,000 for the first time.

The Prime Minister: I agree with my hon. Friend. Corby is an excellent example of a town undergoing the necessary reconstruction of a major industry and having the enterprise to find new jobs for the people there, and a new prosperity. I congratulate my hon. Friend.

Q2. **Mr. Fisher:** To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Fisher: In reply to my hon. Friend the Member for Ogmore (Mr. Powell) the Prime Minister referred to income tax being very much lower. How does she justify the fact that as a direct result of the tax loopholes and tax advantages that her Government have created, a 51-year-old man earning £1 million a year can apparently pay no income tax? How is that a fair tax system, and what will she do to close those loopholes?

The Prime Minister: Under the new tax system those at the top of the scale pay a bigger proportion of the total amount than they did previously. I commend to the hon. Gentleman the speech of the New Zealand Socialist Minister for Finance, who has now made the top rate of tax 33p in the pound. One of the reasons for that is that he believes it is good for the people at the bottom of the pile to have a higher standard of living.

New Zealand Butter

Q3. **Mr. Teddy Taylor:** To ask the Prime Minister if the next meeting of the European Council will discuss the special arrangements for the import of New Zealand butter; and if she will make a statement.

The Prime Minister: I am not aware of any plans to do so.

Mr. Taylor: Will my right hon. Friend fight hard to prevent the EEC further cutting New Zealand butter imports and depriving British housewives of freedom of choice, particularly as New Zealand has never let Britain down when we have been in trouble? Will she bear in mind the massive damage being done to New Zealand, Australia and the Third world by the Common Market spending over £200 million of taxpayers' money every week dumping butter on the world market at 6p a pound?

The Prime Minister: As my hon. Friend is aware, we have done more than any other Government to get the surpluses under control in the Common Market, in particular at the last meeting that we had, because we were very much aware of the truth of what my hon. Friend said. The surpluses affect other countries which depend to a considerable extent upon the export of agricultural products. The New Zealand butter agreement will come up again shortly for examination and we expect the Commission to make proposals. New Zealand exports far less butter to Britain than it used to do, but it is an important part of its economy and many people in this country wish to continue to be able to buy that butter, and I assume that they will be able to do so.

Mr. Rees: Will the Prime Minister recall the speed with which the New Zealanders came to our support in 1939? Will she consider visiting the airfields in Lincolnshire and the war graves all the way from El Alamein to the Austrian border and reflect on the price that New Zealanders paid while supporting us, and support the New Zealanders in the EEC?

The Prime Minister: I thought that I was doing just that in my reply, because butter exports are very much a part of the New Zealand economy. People here still wish to purchase that country's butter—and lamb—and I am very much aware that the import quotas have been reduced steadily from 165,000 tonnes in 1973 to 74,000 tonnes this year. A new agreement will be negotiated, which I hope will be satisfactory to all concerned.

Dame Elaine Kellett-Bowman: Will my right hon. Friend reflect on the fact that, although many people agree that the older generations of New Zealanders, in the first and second world wars, supported us superbly, as they did in the Falklands, the present New Zealand Government, under Labour, have reneged on their duty to contribute to the defence of the free world and the position has radically changed?

The Prime Minister: I am very much aware that our ships are not able to go to New Zealand at the moment —which I think is a great tragedy both for our Navy and for many people in New Zealand—because the New Zealand Government insists on the ships not having any nuclear weapons or on asking questions about that, and of course we cannot say whether they have because of our obligations to NATO. Nevertheless, I do not think that

that would warrant taking it out of the New Zealand people by not doing everything that we can to see that they have a thoroughly satisfactory arrangement for the continued sale of butter to the Common Market.

Mr. Wilson: Having used the un-word "unwisdom", and having called in aid the good example of the New Zealand Socialist Government, will the Prime Minister now give an assurance that there will be no cruise missiles on the Clyde?

The Prime Minister: I shall give the hon. Gentleman the assurance that we shall take whatever measures are necessary to keep a continued effective nuclear deterrent and to carry out our obligations to NATO.

Mr. Dykes: Will my right hon. Friend accept, though, that fairminded New Zealanders agree that the arrangement for New Zealand, which is very welcome in all parts of the House, has been a very good one for that country, but that that does not gainsay the need for New Zealand to find other markets, including the Soviet Union, because New Zealanders sell more butter there than the EEC does?

The Prime Minister: Yes, but I hope my hon. Friend will appreciate that when they have a drop in quota from 165,000 tonnes in 1973 to 74,000 tonnes this year they have had to be very active in finding other markets, particularly those in the Pacific basin.

Engagements

Q4. **Mr. Livingstone:** To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Livingstone: In the Prime Minister's busy day, will she find time to consider the conviction for murder of Mr. Robert McConnell, a Unionist paramilitary, and investigate who authorised the decision of the RUC to destroy its case notes rather than bring prosecutions against two members of the SAS, Sergeant Aitken and Corporal McGow, who supplied the sub-machine gun used in the murder? Will she therefore report urgently to the House on who authorises SAS operations at political and operational levels at home and abroad?

The Prime Minister: As the hon. Gentleman is aware, decisions about prosecutions are not for me. They are for the prosecuting authorities. If the hon. Gentleman has any evidence, I suggest that he puts it to those authorities, rather than give it under privilege. We do not discuss matters relating to the SAS, and no one would want us to do so unless he wished to undermine the security of this country.

Q5. **Mr. Couchman:** To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Couchman: Does my right hon. Friend agree that today's most heartening unemployment and employment statistics underscore our burgeoning economy? Should we not now be placing the greatest emphasis on training our young people in the skills that will be needed in the 21st century, the shortage of which is beginning to worry successful employers?

The Prime Minister: Yes, I agree with my hon. Friend that the figures today are very encouraging indeed. Unemployment has fallen for 21 months in succession and over the last year by about half a million. I agree with him also that we shall need more and more skilled people for the jobs that are available. I hope that everyone, including the trade unions, will support the new adult training scheme, which is intended to give skills to about 600,000 unemployed people to enable them to get the jobs that employers are ready to offer.

Mr. Battle: Will the Prime Minister explain how 200 of my constituents, who are skilled workers and who received their redundancy notices from Courtaulds last week, have participated in the new prosperity that she says is for everyone?

The Prime Minister: Yes it is difficult for anyone who suddenly faces redundancy, but most people understand that there must be a restructuring of industry. There has to be change. One cannot go on making goods for which there is no demand. The many people, from both sides of the House, who come to see me fully understand that these things have to happen and they set about trying to find companies to go to the area or people who will take up the enterprise allowance to create the jobs and work of the future.

Q6. **Mr. Stanbrook:** To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Stanbrook: Will my right hon. Friend give some thought this afternoon to the constitutional difficulty that has been exposed by the fate of the Abortion (Amendment) Bill? When the Government are apparently neutral on an important moral issue it is quite impossible for that issue to be settled by means of a private Member's Bill, however meritorious it may be and however much support it may get in this place. Is there not therefore a duty on my right hon. Friend to change her mind about this single constitutional issue? Matters of this sort ultimately depend for decision on the Government giving the opportunity for them to be settled in Government time. It will take only a few minutes one evening at the end of business to settle this one way or the other.

The Prime Minister: I would not necessarily accept that there is a constitutional difficulty of the kind that my hon. Friend describes. Many of us have had to take through private Member's Bills that started by being very controversial, and some of us handled them in very different ways. A great deal depends on that, and I do not accept that there is a constitutional difficulty just because this Bill has not got through. I think that the decision we took not to provide time for private Member's Bills was correct.

Business of the House

3.31 pm

Mr. Frank Dobson (Holborn and St. Pancras): Will the Leader of the House state the business for next week?

The Lord President of the Council and Leader of the House of Commons (Mr. John Wakeham): Yes, Sir. The business for next week will be as follows:

MONDAY 23 MAY—Opposition Day (12th Allotted Day) (2nd part). Until seven o'clock there will be a debate on an Opposition motion entitled "The Crisis in Housing".

Remaining stages of the Firearms (Amendment) Bill.

TUESDAY 24 MAY—Consideration of Lords Amendments to the Employment Bill.

WEDNESDAY 25 MAY—Motion to take note of the White Paper on developments in the European Community July-December 1987 (Cm. 336).

THURSDAY 26 MAY—Motion for the spring Adjournment.

Motions on short speeches and public petitions.

Motion on the Lord Chancellor's Salary Order.

FRIDAY 27 MAY—Adjournment motions.

Mr. Dobson: I thank the Leader of the House. In view of the revelation earlier this week that decisions have been taken in principle and in secret about the replacement of one category of nuclear weapons, can we expect an early debate on defence?

May we expect a debate on competition policy before control of Rowntree Mackintosh is transferred from York to Switzerland?

When can we expect a debate on foreign affairs—the debate that the right hon. Gentleman has been promising for some months now?

Finally, in view of the need to improve and update communications in the House, will the right hon. Gentleman tell us when the Services Committee can expect to receive the reports from the Property Services Agency on the replacement of the annunciator system, and from British Telecom on the electronic mailing experiment, both of which have been outstanding for more than a year?

Mr. Wakeham: The hon. Member for Holborn and St. Pancras (Mr. Dobson) has asked me four questions about next week's business. The first was about a debate on the defence White Paper. In due course there will be an opportunity for a debate on that. I understand that the Select Committee on Defence will be taking evidence and producing a report, and it would be better to wait for that before we arrange a debate.

The next question was about competition policy and the matter of Rowntree. I answered a question on this last week when I said that my right hon. and noble Friend was awaiting a report from the Office of Fair Trading. There is nothing that I can add to what I said then.

The hon. Gentleman asked about a foreign affairs debate. I recognise that there is concern about and a need for a debate on foreign affairs, and I shall seek to arrange that as soon as possible.

The hon. Gentleman asked me about the annunciator screen report and British Telecom's electronic mailing system report. The hon. Gentleman kindly gave me notice that he would be asking about these matters. I understand that both reports will shortly be submitted to the Computer Sub-Committee. The consultants' final report on the annunciator screen was recently received by the Parliamentary Works Officer, who is now considering it. A draft report on the British Telecom electronic mailing system prepared by the Central Computer and Telecommunications Agency is with the working party involved in the trial of this system.

Several Hon. Members rose—

Mr. Speaker: Order. This is an Opposition day. May I remind the House that business questions should be confined to business for next week and should not be on general topics?

Mr. James Wallace (Orkney and Shetland): The Leader of the House said that there would ultimately be a debate on the defence Estimates. Does he accept that it would be preferable for the Secretary of State for Defence to make a statement about any new nuclear weapons system to this House and not on "Panorama"? Will he have an opportunity to make that statement next week? Now that the motion about the Select Committee on Procedure is on the Order Paper, does the Leader of the House have any proposals to bring that motion to the House so that the Select Committee on Procedure can now be set up?

Mr. Wakeham: I will obviously refer the point about defence to my right hon. Friend, but the defence White Paper debate is probably the best time to deal with these matters. The House will have noted that the motion to re-establish the Select Committee on Procedure is on the Order Paper, and I hope that it will be agreed before Whitsun.

Sir Bernard Braine (Castle Point): Has my right hon. Friend seen the report in *The Independent* that the deputy Leader of the Opposition has tried to persuade Mr. Speaker not to select the new clause on abortion put down for debate on the Criminal Justice Bill, which I understand must be debated very soon? In view of this and the disgraceful ploys which prevented the House from coming to a decision on this matter last Friday week, will my right hon. Friend give an assurance, first, that there will be a free vote on the amendment—assuming that Mr. Speaker selects it? Secondly, if there is any attempt at obstruction to prevent the House arriving at a decision, will he give us an assurance that the Government will not hesitate to move a motion in accordance with precedent?

Mr. Wakeham: My right hon. Friend raises the question of the selection of amendments on the Criminal Justice Bill. Of course, the selection of amendments on that Bill is a matter not for me but for you, Mr. Speaker. He also makes the point, which I would expect him to make, about the desirability of a structured debate on these matters. Obviously, we shall address our minds to that when we see the selection. At one time, matters of whipping were my responsibility, but I am glad to say that it is one of the responsibilities that I no longer have.

Ms. Joan Ruddock (Lewisham, Deptford): When the Leader of the House answered the question about a debate on the defence Estimates, I fear that he misunderstood the point that was made by my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson). There has been a revelation through the media—[HON. MEMBERS: "Where?"] There has been a revelation that new nuclear weapons decisions have been taken. Can the Leader of the House tell us whether it is therefore right that the House

should be informed about this matter, and that there should be a proper debate? These decisions are being taken in secret and it is against the interests of the House that that should be done in this way.

Mr. Wakeham: The hon. Lady should not necessarily believe everything that she reads in the newspapers. I have said that I shall refer the matter to my right hon. Friend the Secretary of State for Defence. If he thought it appropriate to make a statement to the House, of course he would do so; but I said that probably the best way to proceed was to have the annual defence debate in the normal course.

Mr. Ian Gow (Eastbourne): Will my right hon. Friend reconsider the answer he has just given? Would it not be of great advantage to the House and to the nation if there were to be a debate on nuclear defence policy, so that the Labour party could expose its differences on the matter?

Mr. Wakeham: My hon. Friend tempts me, because that would be an important debate, but there are many other important debates, and much important legislation that I should like passed through the House as soon as possible.

Rev. Martin Smyth (Belfast South): The Leader of the House is aware that I have been pressing on different occasions for a debate on devolution. In the light of the Prime Minister's statement in Scotland last week, could we have a debate in the near future? Alternatively—this might be more practicable could Northern Ireland be allowed into the benefits of that unitary state?

Mr. Wakeham: I recognise the hon. Gentleman's persistence in raising these matters, which are very important to him. I cannot promise a debate in the immediate future, but I will bear his representations in mind.

Mr. James Kilfedder (North Down): The Home Secretary is thinking about the introduction of electronic tagging for prisoners. Would the Leader of the House think of introducing it for right hon. and hon. Members, so it would be interesting to know where some of our distinguished colleagues are when they are not in the Palace of Westminster?

Mr. Wakeham: No, Sir. I have no plans to do such a thing. Quite a number of hon Members could go a long way away and I should not miss them.

Mr. Harry Cohen (Leyton): Will the Leader of the House reconsider having a statement or debate on the new nuclear weapons matter, which the Secretary of State for Defence has announced? It has not been just in the press, as the Secretary of State has announced it to the Select Committee and on "Panorama". Many people will think that the Government have something to hide if they do not have a debate on this important matter. Will the Leader of the House ensure, at the same time, that there will be an early transcript of what the Secretary of State said to the Select Committee so that we can see the way in which he has been deceiving the House on this matter over a number of years?

Mr. Wakeham: I am not sure whether the hon. Gentleman's logic adds much to the debate. As I understand it, he says that my right hon. Friend the Secretary of State has announced this to a Select Committee, but is also trying to conceal it. Giving evidence to a Select Committee is not the most obvious way to conceal something.

Sir Peter Emery (Honiton): On Thursday next week we are to have a debate on the spring Adjournment, and then on one of the procedure motions, which is to be on short speeches, as I understand it. It should come on between 7 pm and 7.30 pm, as the Adjournment debate will last for three hours. Has the Leader of the House considered any of the other motions brought forward by the Procedure Committee, because some matters other than short speeches could be dealt with if the debate is brief?

Mr. Wakeham: I recognise my hon. Friend's interest in these matters. The motion that I shall bring forward for debate next Thursday will be on short speeches and public petitions, dealing with two matters that I hope we can dispose of. I hope to arrange a further debate shortly in which we can discuss the other matters that I know are of concern, on which my hon. Friend knows I shall be having talks.

Mr. Bob Cryer (Bradford South): Could we have a statement on lobbying next week as a matter of urgency? The Leader of the House will recall that I raised with him the position of Mr. Peter Luff, who is employed by "Good Relations" yet is an adviser to the Secretary of State for Trade and Industry. The Secretary of State is not even a Member of the House; therefore he is not directly accountable. "Good Relations" is being investigated by that Department over the Guinness affair. This is highly unsatisfactory. Lobbying is spawning around this place and it is about time that we had a debate on it, or a statement at the very least.

Mr. Wakeham: Mr. Luff, and indeed all special advisers, are employed on agreed and proper terms, in accordance with Civil Service practice. I do not believe that there is a need for a debate on that matter. I notice the Select Committee's proposals about changes, and a further look at lobbying, but I do not foresee the need for a debate.

Mr. William Cash (Stafford): Will my right hon. Friend note that the Companies (Audit Committees) Bill was yesterday thrown out of the other place? That legislation was introduced by the late Member for Kensington and was quickly passed in this House a few weeks ago. Will my right hon. Friend consider the possibility of that legislation coming back later in the year in the form of a Companies Bill? Many hon. Members and people outside the House would be grateful for that.

Mr. Wakeham: I am sure that the whole House would want me to say how much we shall miss Sir Brandon Rhys Williams. He did not always, over many years, make himself comfortable with the Government—he had views of his own—but I shall certainly miss his lively intellect and his contributions to our debates. I cannot promise, however, that there will be such legislation. Whether the Government decide to introduce a Bill containing these or similar proposals is a matter not for me but for my right hon. Friend the Secretary of State for Trade and Industry.

Mr. Tam Dalyell (Linlithgow): Has the Leader of the House noticed that, on Tuesday, there is to be a reachable oral question—one of the few, I am told, ever to have been tabled in this way and allowed—on the role of the SAS?

[Mr. Tam Dalyell]

Will the right hon. Gentleman take on board the fact that, whatever is said by my hon. Friend the Member for Brent, East (Mr. Livingstone), there are serious Members on both sides of the House who are increasingly worried about under what authority and on whose authority the SAS operates? What are its rules of engagement? This question extends to cases such as that of Michael Tighe. Is there not a case for the Government making a statement on this matter—this would possibly be to their advantage—to clarify suspicions? There are certainly suspicions about the use in this connection of the royal prerogative.

Mr. Wakeham: I recognise the hon. Gentleman's persistence. I cannot possibly anticipate any answers to questions next week. Although the hon. Gentleman puts forward his view with all seriousness, there are others of us, on the Conservative Benches particularly, who would say that the security of the state requires that some things cannot be the subject of the to and fro of political debate in the House.

Mr. Andrew MacKay (Berkshire, East): I do not wish to prejudge any decisions that you, Mr. Speaker, will have to make on selecting new clauses to be considered in the debate on the Criminal Justice Bill. As more than 120 right hon. and hon. Members on both sides of the House signed an amendment reducing to 24 weeks the time limit for abortion when the Abortion Bill was considered in the House, does my right hon. Friend think that it would be helpful for a new clause to be introduced into the Criminal Justice Bill which would incorporate Lord Houghton's Bill —the Infant Life (Preservation) Bill—which would amend the Infant Life (Preservation) Act 1929?

Mr. Wakeham: Not surprisingly, the new clauses that I wish to see introduced into the Criminal Justice Bill are those introduced by my right hon. Friend the Home Secretary. My purpose is to get the Bill passed. As I have already said, the selection of amendments is not a matter for me.

Mr. Dennis Skinner (Bolsover): Does the Leader of the House recall that in the summer recess I wrote to him about what was to happen to the Short money for the Opposition parties? The delay has been exaggerated once again, after all these months, because of the leadership crisis in the SLD. Although we in the Labour party fully understand that we might have to wait for the money—*[Interruption.]*—none of it will come to me; it is for the Front Bench. [HON. MEMBERS: "What about your leadership crisis?"]. When will there be a debate? Will the Division be along the lines of representation in the House? How will the right hon. Gentleman manage to figure out the arithmetic? Is the right hon. Gentleman aware that some members of the Liberal party want to go to the television studios, get dressed up ready for when the cameras come into this place and buy their pink shirts and all the rest of it, and they need this money? When will they get it?

Mr. Wakeham: As I told the hon. Gentleman, among my souvenirs is the handwritten letter that he wrote to me setting out the problems of the allocation of Short money in the new Parliament. The hon. Gentleman was right to say that it was not as simple as some people thought. He knows that I have been struggling with this matter for many months, but I think that I see some light at the end of the tunnel. I hope to emerge in the fairly near future into the public gaze with my proposals. I can forecast one thing —they will not be accepted by everyone, and probably not by the hon. Gentleman.

Mr. Teddy Taylor (Southend, East): Could there be a statement next week on the EEC's remarkable decision last week, without the British Government being consulted in any way, to impose a ban on imports of apples to Britain? If consumers in Britain are to be deprived of the right to buy the apples that they want and are forced to buy year-old apples from intervention produced in other countries, is it not sensible that there should at least be a statement or a discussion in Parliament about what is happening?

Mr. Wakeham: I recognise my hon. Friend's concern about these matters. The decision to impose quotas on the import of apples from a number of countries, including New Zealand, was taken by the EC Commission, within whose competence it lies, without consultation with member states. The quota of 115,000 tonnes allocated to New Zealand is higher than sendings in any previous year and compares with the import in 1987 of 102,500 tonnes. A shortage of those excellent apples therefore appears unlikely.

Mr. Robert Maclennan (Caithness and Sutherland): Is the Leader of the House aware that, in his answer to the hon. Member for Linlithgow (Mr. Dalyell), he enunciated a novel and unacceptable constitutional doctrine—that there are matters that about which the House may not question the Government because his hon. Friends think that it is not suitable that they should be questioned about such matters? If there are security matters that are not to be made the subject matter of question in this House, they had better be finely defined and there should be independent scrutiny of such matters by a committee of Privy Councillors.

Mr. Wakeham: If the hon. Gentleman would listen, he might make a little progress in these matters. I did not say that no one could ask questions. I said that there were some things that Ministers should not answer on and I will maintain that from the Dispatch Box for as long as I am here. There are some security matters that I am not prepared to have discussed across the Dispatch Box, even if the hon. Gentleman asks me.

Mr. Harry Greenway (Ealing, North): May we have a debate next week on what can be done to help people whose homes are damaged by severe freak storms, such as that in Northolt, Greenford and parts of Hanwell and Ealing last week, as a result of which many poor people have been devastated? They have had walls knocked down by heavy water and their ground floor carpeting and furnishings have been destroyed. Finding themselves without any money, they do not know what to do. Their case should be brought to this House and answered.

Mr. Wakeham: That sounds a very distressing state of affairs and I am not sure whether I can give my hon. Friend an adequate answer. Perhaps he should take advantage of the Adjournment debate next week and see whether he can bring the matter before the House on that occasion.

Mr. Michael Foot (Blaenau Gwent): Referring to the right hon. Gentleman's answers about the suggestion that a new clause might be moved on Report to the Criminal Justice Bill, he is right in saying that any selection would be a matter for Mr. Speaker and not for him. If new clauses of such a far-reaching character on such different matters were to be introduced into the Bill on Report, it would have grave consequences for the Government, and every other piece of legislation that they are seeking to introduce might be subject to the same kind of interpolations. I hope that the right hon. Gentleman will take that into account when he considers the matter and gives advice to the Home Secretary, who may be interested in his advice and that of the House.

Mr. Wakeham: The points made by the right hon. Gentleman, who is very experienced in these matters and is a former Leader of the House, are properly for the Home Secretary and me to consider from the Government's point of view, although questions of selection are matters for the Speaker.

Mr. Roger Knapman (Stroud): Some months ago, the hon. Member for Brent, East (Mr. Livingstone) made allegations in this House concerning the late Captain Nairac, whose family lives in my constituency. Did my right hon. Friend notice today that the hon. Gentleman has again named people——

Mr. Speaker: Order. The hon. Gentleman should relate his question to next week's business.

Mr. Knapman: May I ask my right hon. Friend whether this matter can be debated in the course of the next week or so, and how, if Parliament is to be televised, such privileges can be maintained in future?

Mr. Wakeham: I see no prospect of arranging a debate on that matter next week or any future week on the basis of that point. My right hon. Friend the Prime Minister deplored the use of parliamentary privilege to make allegations which are properly a matter for the prosecuting authorities. Anybody with information of that sort who wishes to pursue the matter has a clear duty: he should give the matter in confidence to the prosecuting authorities, rather than seek to make statements in the House.

Mr. David Blunkett (Sheffield, Brightside): Among the debates that the Leader of the House said he would have liked to fit in next week, would he consider including a debate which we should be having on the 500 per cent. increase in the cost of concessionary television licences and the considerable suspicion in the minds of pensioners who are receiving it that this increase from 5p to £5 is the beginning of a move to phase them out completely?

Mr. Wakeham: The concessionary licence scheme for pensioners in residential homes has been in existence for many years. The changes announced yesterday by my right hon. Friend the Home Secretary will enable it to continue and will ensure that the scheme benefits those whom it was intended to benefit. As we have made clear on many occasions, it would not be right or sensible to give free or concessionary licences to all pensioners.

Mr. Peter Thurnham (Bolton, North-East): If we are not to have a debate next week on the Criminal Justice Bill because of attempts to hijack it, does my right hon. Friend agree that careful consideration should be given to how to structure a debate on new clauses which formed no part of the title of the Bill and were not debated on Second Reading or in Committee?

Mr. Wakeham: I hear what my hon. Friend says. We are not having a debate next week because we have other important business that we intend to get through. We shall have debates on the Criminal Justice Bill in the near future, when I shall bear my hon. Friend's point in mind.

Mr. David Alton (Liverpool, Mossley Hill): When the Leader of the House considers how to handle the Criminal Justice Bill, will he consider the precedent set in 1980 when the right hon. Member for Blaenau, Gwent (Mr. Foot) was Leader of the Opposition and amendments to the Criminal Justice (Scotland) Bill which had not been considered in Committee were incorporated on Report after being moved by the Opposition Front Bench? Since 1975, every pro-life Bill has received a Second Reading majority. If 15 attempts to introduce pro-life Bills have all been foiled by extended speeches, points of order and hon. Members deploying the mechanisms of this House, how does the right hon. Gentleman envisage this issue being properly settled? Does he regard it as a matter for private Members' legislation or to be settled in some other way? If in another way, what way?

Mr. Wakeham: The hon. Gentleman knows that I do not fully accept his analysis of the failure of Bills on this subject to reach the statute book by private Member's legislation, but I recognise the force of his arguments. I further recognise that there is an amendment to the Criminal Justice Bill, but I do not have anything more to add to what I have already said on what is clearly a difficult decision for you, Mr. Speaker.

Mr. Bill Walker (Tayside, North): Will my right hon. Friend reconsider his views on a defence debate? It is essential to hold one soon because it will show the enormous differences of view on the Opposition Benches. More important, it would expose the fact that Royal Air Force pilots would be expected to enter the next war, if it ever took place, at great risk, and that the lessons of 1939, when the British Expeditionary Force went to France to fight Hitler's tanks with rifles, had been forgotten.

Mr. Wakeham: I recognise the desire for an early defence debate, but I cannot promise one. I know that my hon. Friend is aware that defence questions will be answered next Tuesday, 24 May, and he may find an opportunity to make some points then.

Mr. Michael J. Martin (Glasgow, Springburn): During the next week, would it be possible for the Leader of the House to speak to his right hon. Friend the Secretary of State for Social Services about tribunal appeal claims? I am increasingly receiving complaints from constituents who are claiming attendance allowance that at these appeals they are being asked questions which I consider to be insensitive. The latest case involved a girl who is only 3ft 7in tall who was seeking a mobility allowance because her height meant that she had difficulty getting on and off buses. She was asked why she was wearing rings. I received another complaint from a woman suffering from alopecia, who was asked why she was wearing an expensive wig. Surely a medical appeal tribunal should not ask such questions of people with those difficulties.

Mr. Wakeham: I recognise the hon. Gentleman's concern for his constituents. If he is concerned that improper questions are being asked, perhaps the right course would be for him to take the matter up directly with my right hon. Friend the Secretary of State for Social Services, who will decide whether there is anything to be looked into.

Mr. John M. Taylor (Solihull): Will my right hon. Friend take time to have a word with his right hon. Friend the Secretary of State for Transport and ask him to come to the House early next week to make a statement about the near miss that occurred yesterday afternoon on the flight-path into Birmingham airport? Many people who use that airport will want to be assured about its absolute safety. The airport is crucial to the welfare of the midlands.

Mr. Wakeham: The incident to which my hon. Friend referred will be investigated by the independent joint air miss working group, whose report will be published. The Civil Aviation Authority is responsible for taking any necessary safety action arising from the incident. That action need not wait until the report is published. However, there is no evidence of any deterioration in the safety in the air over the United Kingdom. Despite a massive increase in traffic, the figures for risk-bearing air misses involving commercial aircraft in recent years have shown a downward trend, from 45 in 1977 to 16 in 1986.

Mr. Nigel Spearing (Newham, South): The Leader of the House has announced that a debate on EEC matters for the last six months of 1987 will take place next Wednesday. Will that debate last for five hours, six hours or less? Whatever the length of time, is the Leader of the House not in danger of getting his priorities wrong? Is he not aware that the June meeting of the Council of Ministers in the EEC will have to consider many matters which have not yet been debated by the House although they have been recommended for debate by the Scrutiny Committee? Would it not be better to ensure that those matters are properly debated in respect of future legislation rather than spend time on retrospective matters over which the House can have no influence?

Mr. Wakeham: I recognise the hon. Gentleman's knowledge and experience in those matters and I always listen carefully to what he says. I believe that the debate that I have announced for next week is for the general convenience of the House; it was discussed through the usual channels before I announced it. However, I take note of what the hon. Gentleman has said, and I will have further discussions.

Mr. Tony Favell (Stockport): My right hon. Friend will be aware that Manchester city council has been blocking an inquiry into its anti-racism policy in schools. It is said that the report is now on its way to my right hon. Friend the Secretary of State for Education and Science—at least, an expurgated version is on its way. When that is received, will my right hon. Friend the Leader of the House ask his right hon. Friend the Secretary of State for Education and Science to make a statement to the House? Many Conservative Members are worried that such policies, far from promoting racial harmony, actually discourage it?

Mr. Wakeham: My hon. Friend makes his point very well and I will refer the matter to my right hon. Friend the Secretary of State for Education and Science who will no doubt take whatever action he feels is appropriate in the circumstances.

Mr. Ray Powell (Ogmore): Can the Leader of the House arrange a debate next week on my early-day motion 792 about grandparents' rights?

[That this House deplores the increasing frequency of grandparents being deprived of the right of access to, care, fostering or adoption of their grandchildren; notes with alarm the attitude of some social services employees; and calls on Her Majesty's Government to introduce early legislation to give legal rights to grandparents providing immediate right of access before children are taken into care and the right to be present or legally represented at any official hearing or inquiry regarding future access to, care, fostering and adoption of their grandchild or grandchildren.]

Is he aware that it has received the signatures of 266 hon. Members from both sides of the House? It is covered by a petition that I presented to the House signed by 8,000 grandparents across the country. Is the Leader of the House also aware that my motion has received the greatest number of supporting signatures of the 1,127 early-day motions that have been tabled this Session? Is it not time that he gave priority for a debate on this very emotive subject?

Mr. Wakeham: I agree that it is an important subject, and I congratulate the hon. Gentleman on the support that he has received. With regard to the early-day motion, grandparents may already be made the party to adoption proceedings. Further rights are provided for in amending legislation to be implemented this year. The Government will give careful consideration to the proposals in the motion when framing the legislation on child care and the family services provided for in the White Paper published in January 1987. I hope that that is some comfort to the hon. Gentleman, but I cannot find time for a debate next week.

Mr. Julian Brazier (Canterbury): May I put it to my right hon. Friend that there is a way this week whereby he could get you, Mr. Speaker, out of a very difficult decision, and allow the Government to maintain their principle of not giving Government time to private Members' Bills while allowing the country to see the verdict that it expects from Parliament? Quite simply, we could have a business motion to allow the House to vote on whether it chose to use some of its own private Members' time on a Friday to finish the Alton Bill.

Mr. Wakeham: Would that all these things were quite as simple as my hon. Friend suggests. The Government table motions with regard to the allocation of private Members' time in the House. We gave extra time over and above that laid down in the Standing Orders for private Members' Bills. Those were approved by the House and I do not believe that it would be right to make a change in that regard.

Mr. Greville Janner (Leicester, West): Would the Leader of the House himself make a statement next week on the extraordinary revelation that an honorary British knighthood has been awarded to none other than one Kurt Waldheim? If that is not a matter for the right hon. Gentleman, will he undertake to refer it to his appropriate

colleague who can advise the House as to this obviously offensive and iniquitous use of an ancient order of British chivalry?

Mr. Wakeham: I am pretty certain that it is not for me to answer questions in the House on those matters. However, I will investigate to see whether there is any responsibility that involves answering questions.

Miss Ann Widdecombe (Maidstone): With reference to the various answers that my right hon. Friend the Leader of the House has given this afternoon on the amendment tabled to the Criminal Justice Bill, while I respect entirely his position and the courtesy that he has shown when dealing with those queries, when the Government have been able to show consistently over a period that they expected an amendment on capital punishment to be discussed, why can they not give a similar sign in the case of the amendment on abortion?

Mr. Wakeham: Even the undertaking about capital punishment depends on Mr. Speaker selecting the amendments. I recognise that my hon. Friend has worked very hard for the cause which she believes to be important. I thank her for her kind remarks, but it would not be right for me to add anything further to the remarks that I have made already.

Several Hon. Members *rose*——

Mr. Speaker: Order. I repeat that this is an Opposition day; I ask hon. Members to be brief.

Mr. D. N. Campbell-Savours (Workington): When I table my early-day motion requiring that Privy Councillors be not given priority in the selection of speakers in debate, may I have an assurance that Government Whips will not exert pressure on Government Back Benchers not to sign the motion? May I have an assurance that all hon. Members will have an unconditional right to sign my motion without pressure?

Mr. Wakeham: Knowing the hon. Gentleman as well as I do, I should be able to acquit him of charges of arrogance. However, if he continues to ask such questions, demanding that I support his early-day motion before he has tabled it, he will receive a rather dusty answer.

Mr. Harold McCusker (Upper Bann): Has the Leader of the House noticed how easy it has been for the Government to apply large segments of the Firearms (Amendment) Bill to Northern Ireland and how simple it was for a Conservative Member to apply the Motor Vehicles (Wearing of Rear Seat Belts by Children) Bill to Northern Ireland? Bearing in mind what the Prime Minister said in Perth last Friday about legislative devolution, when will the Government govern Northern Ireland like the rest of the country?

Mr. Wakeham: I shall not anticipate at the Dispatch Box the debate on the Firearms (Amendment) Bill or any debates on seat belts. I know that the hon. Gentleman is considering wider issues and wants to see changes in the way in which the House considers matters relating to Northern Ireland. I recognise those concerns and I have had talks with several of his hon. Friends about that. However, I am afraid that I have no proposals at the moment to make any changes.

Mr. Jeremy Corbyn (Islington, North): Will the Leader of the House consider that it is now important that there be an early debate on the situation facing the people of London in respect of the housing crisis and the shortage of housing for rent, the high unemployment that many inner-city places face, the cuts in the Health Service and the amalgamation of health authorities, and the growing chaos in traffic and transport throughout London? Since the House destroyed the governance of London through the GLC and since most inner-London boroughs are rate-capped or short of money, is it not important that we should debate the plight of the poorest people of London at an early date? On previous occasions, the Leader of the House has said that there would be a debate in the near future. Can he now give us a date for that?

Mr. Wakeham: No, I cannot give a date. I have said that that is a suitable subject for a debate and, if I can find time for it, it would be a proper subject on which to have a debate. The more the hon. Gentleman raises such questions, the more encouraged I am, because much of what he says is highly contentious and such a debate would be a suitable opportunity for him and for some of his hon. Friends to explain, for example, why so many council houses in London are unoccupied where Socialist councils are in charge.

Mr. Pat Wall (Bradford, North): In view of the manifest failure of the EEC code of conduct for firms doing business in South Africa, emphasised by yesterday's annual general meeting of the BTR company, when shareholders asked questions about the dispute which has lasted for three years and which clearly shows that company to be in breach of the three main provisions of those guidelines, will it be possible in the EEC debate next week to discuss the conduct of British firms in South Africa under the EEC provisions, and the whole issue of trade with that country?

Mr. Wakeham: What is in order in a debate is not a matter for me, but for you, Mr. Speaker. On the face of it, I would have thought that if the hon. Gentleman used some ingenuity he might be able to make some of the points that he wants to.

Mr. John Home Robertson (East Lothian): Since the Leader of the House and his colleagues have failed to establish a Select Committee on Scottish Affairs, is he aware that Members of the Scottish majority party have resolved to establish their own investigative committee, which may well have support from other parties in the House? Since funds have been made available to support an investigative committee to monitor the work of the Scottish Office, will the Leader of the House make a statement next week to ensure that those hon. Members who are prepared to do their duty in scrutinising the work of the Scottish Office will have access to those funds?

Mr. Wakeham: I shall not be making a statement next week, but I am prepared to make a statement now on the Select Committee on Scottish Affairs, if that will be any help to the hon. Gentleman.

I have been anxious for a considerable time to set up the Select Committee on Scottish Affairs on a basis acceptable to all parts of the House. During that period, the Labour party's position has changed on a number of occasions. That has been helpful. The proposal that I have recently put to all parties is for the Select Committee on Scottish

[Mr. Wakeham]

Affairs to be set up with mainly Scottish Members but with some English Members, and my proposal includes a place for the Social and Liberal Democratic party and the Scottish National party.

In order to achieve that objective, I have asked for some greater flexibility in the composition of the Scottish Standing Committee, which could involve a slight increase in the number of English members. I understand that my proposals are not acceptable to the Labour party, which I greatly regret. I have not yet had a formal view from the Social and Liberal Democratic party and the Scottish National party. That is the position at the moment.

Whitsun Adjournment

4.13 pm

Mr. Speaker: I remind hon. Members that, on the motion for the Adjournment of the House on Friday 27 May, up to eight Members may raise with Ministers subjects of their own choice. Applications should reach my office by 10 pm on Monday next. A ballot will be held on Tuesday morning and the result made known as soon as possible thereafter.

Debates (Selection of Speakers)

4.14 pm

Mr. Ian Bruce (Dorset, South): On a point of order, Mr. Speaker. May I have your guidance for future reference? You will know of my interest in Scottish affairs, coming, as I do, from Scotland. I am sure that when regulations on the community charge for students are brought before the House in a year or so, the experience of hon. Members who sit for Scottish constituencies will be valuable. As you know, I have been selected to serve on the Committee that is considering the School Boards (Scotland) Bill. I attempted to speak in yesterday's debate on the community charge for students and various points that I wished to make on education, and so on, would have been valuable. However, there seems to be a way of selecting Members that rightly gives priority——

Mr. Speaker: Order. I think that that is a reflection upon the Chair. It is the duty of for the occupant of the Chair to take into account the specific interests of hon. Members. English Members have some interest in Scottish affairs, just as Scottish Members have an interest in English affairs, because this is a United Kingdom Parliament. However, I hope that the hon. Gentleman will not challenge the selection of the Chair. I understand that he intervened a great deal last night.

Mr. Bruce *rose*——

Mr. George Foulkes (Carrick Cumnock and Doon Valley): Further to that point of order, Mr. Speaker.

Mr. Speaker: Points of order only delay the Opposition day. However, I call Mr. Foulkes.

Mr. Foulkes: Further to that point of order, Mr. Speaker. I would be willing to meet the hon. Member for Dorset, South (Mr. Bruce) to give him the long list of Scottish debates in which I have tried, unsuccessfully, to speak, and I do represent a Scottish constituency.

Mr. Nicholas Bennett (Pembroke): Further to that point of order, Mr. Speaker. The selection of Members from the Government and Opposition Benches is a matter of obvious importance to me as a Welsh member. I have no wish to challenge Mr. Deputy Speaker's decision last night, but it would be useful to have some guidance on whether the Chair seeks to choose hon. Members from both sides of the House in order to have a balanced debate —or not, as happened last night, when four Opposition Members in a row spoke despite the fact that Conservative Members wished to speak.

That has obvious implications for other debates. A similar situation arose in the Welsh Grand Committee on 15 July last year, when Opposition Members took up the majority of debating time. Last night, in the 71 minutes of debate, Government Back Benchers had nine minutes and the remainder of the time, apart from the Minister winding up for 12 minutes, went to the Opposition. Such debates could be unbalanced as a result.

Mr. Speaker: I must bear in mind what the hon. Gentleman says when we have a Welsh debate, because he is frequently, perhaps over-frequently, called in Welsh debates.

Mr. Tim Devlin (Stockton, South): Further to that point of order, Mr. Speaker. As a matter of principle, is it correct that there is nothing to prevent English Members from being called to speak in debates relating either to Scotland or Wales?

Mr. Speaker: That is absolutely correct. I know that the hon. Gentleman is not making a complaint, because we discussed that matter last night.

Opposition Day

[12TH ALLOTTED DAY] [1ST PART]

Shipbuilding

Mr. Speaker: I have selected the amendment in the name of the Prime Minister.

4.17 pm

Mr. Brian Gould (Dagenham): I beg to move,

That this House, deeply concerned at reports that Her Majesty's Government intends to withdraw all financial support from British Shipbuilders, and aware of the grave threat to British merchant shipbuilding posed by the contractual problems of NESL and the uncertain future of Govan yard, calls upon Her Majesty's Government to affirm its commitment to British merchant shipbuilding and to provide the support needed to sustain this essential British industry.

We have drafted, the motion because we believe that a once great and still vital British industry is in mortal danger. There have been many occasions in the past when that claim has been made in respect of British shipbuilding. There have been many debates in the House in recent years in which grave fears have been expressed about the survival of that industry, but I truly believe that on this occasion the claim is justified, that this really is crunch time for British merchant shipbuilding, and that there is an axe poised over the industry which, in a sense, only the Minister can remove.

The purpose of the debate and the motion is to invite the Minister to make it clear that he sees, as we do, an important future for this essential British industry. We intend—I am sure that the Chancellor of the Duchy of Lancaster will understand this—to use the debate to seek answers to questions, and to ask him to allay fears, to dispel rumours, to remove doubts and to make clear his commitment, and that of the Government, to the future of British shipbuilding.

No one disputes that British shipbuilding has gone through an extremely difficult period. Shipbuilding worldwide has had a difficult time because of the depressed state of demand for shipping, but the current problems that have arisen in respect of North East Shipbuilders—the Govan and Appledore yards—arise not just in the context of that difficult worldwide situation, but as the direct consequence of steps that the Government have failed to take. It is the Government who have raised those question marks; that is why we ask the Government to remove them.

The Government are exhibiting their now-familiar predilection for the triumph of ideology over the future of an important British industrial sector, together with their preoccupation with raising cash by disposing of those parts of the industry which can be sold off, accompanied by a willingness—at least implicit and increasingly clear—to junk those parts which cannot be sold off. That attitude threatens the taxpayers' investment, jobs, the regional economy of the north-east and the south-west, and the continued survival of an essential component in our industrial future.

The current problems are the obvious, inevitable and possibly even intentional consequence of the

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Government's attitude in the past, with their determination to dismember British Shipbuilders. They set sail on that course four or five years ago, when they began privatising the naval warship yards. It was always on the cards that, as the more viable parts of British Shipbuilders were disposed of, the increasingly small number remaining would face the growing threat of non-viability.

When the Chancellor of the Duchy of Lancaster made his statement in the House on 18 April, and in statements that he has made elsewhere in recent days, there were hints that the Government's argument was that it was somehow inevitable, and a logical consequence of the process of dismemberment, that those parts of British Shipbuilders which remain cannot be sustained; that buyers or recipients must be found for them and that the rest must go to the wall. The Chancellor will not be surprised if I give him notice that we reject the inevitability of such an outcome. We will use this debate and future occasions to make clear our commitment to the industry and our belief that it would be wrong, not to say active industrial sabotage, to allow what remains of British merchant shipbuilding to go to the wall in the way that the Government contemplate.

When the Minister replies, I hope that the first matter to which he will address himself is the uncertainty which exists in respect of the Govan yard in particular. On 18 April, the House was told that someone—I am tempted to say a buyer, but I am not sure that is the right term—had been found to take the Govan shipyard off the Government's hands, and that the lucky candidate was the Norwegian gas ship firm of Kvaerner Industries. The House was informed that it was to take over rather than purchase the company; as we understand it, it is more a matter of a giveaway than a sale. As my hon. Friend the Member for Great Grimsby (Mr. Mitchell) has often said, it is rather like saying, "You like the ships? Have the yard as well."

If the yard is a viable proposition for a Norwegian gas ship builder, and if that company believes it can make the yard a going concern, why cannot the Government accept that the yard can be made viable and have a future? This seems to be another example of the Government's willingness to get shot of a public asset at almost any price.

No one begrudges the Govan shipyard and all who work there the chance of a viable future. We on this side of the Chamber will take great care not to say anything that would in any way jeopardise that future. We understand the precarious nature of the situation and the importance of guaranteeing, so far as a guarantee can be given, the jobs in that part of the industry. However, we must have further information, assurances and guarantees as to exactly what is proposed.

A month has gone by since we first heard the Minister's statement, and presumably the negotiations have made some progress. We hope that the Chancellor of the Duchy will be able to tell the House more about the outcome. His answers are of crucial importance to the British shipbuilding industry and to all those who work in Govan.

We should like to know, for example, what exactly the Minister meant when he used the cryptic phrase "some restructuring" in his statement on 18 April. What does that mean in terms of existing jobs, future employment, the pensions of those who remain and of those who leave, long-term investment, and so on? What does Kvaerner have in mind for the Govan shipyard? One can understand why it is that, having closed down its own yard and made hundreds of its own workers unemployed, the company now needs, at least in the short term, some cheaper—perhaps temporarily cheaper—capacity. It may be that, in the short term, some future exists for the Govan yard.

We need to know what will be the future of the yard after Kvaerner's immediate objectives have been met. Will it be closed down, in the same way that the Norwegian yard was closed, and will Kvaerner then move on to another knockdown, giveaway yard in some other part of the world? What guarantee for the future is being offered to the Govan workers as a consequence of the deal? I hope that the Minister will provide answers to those questions.

Another cryptic remark was contained in the Chancellor of the Duchy's relatively short statement on 18 April, relating to the transfer of the Appledore yard. The right hon. and learned Gentleman made it clear that there were buyers in the offing for that yard as well. On 18 April, my hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman) pointed out that Appledore includes not just the north Devon yard but also the Ferguson yard in Port Glasgow. It is a substantial operation employing hundreds of people at the two sites, and it is essential that those workers be given some information at this stage, a month after the statement, about who is the prospective purchaser and what are its intentions.

Many people in north Devon who depend upon Appledore for their employment are extremely alarmed. I am sure that the same is true of the workers at Port Glasgow. They are concerned that a private purchaser may use the acquisition and the assets of the yard not for shipbuilding but for property speculation. I hope that the Chancellor of the Duchy will dispel any fears that the workers may have. Four weeks after the right hon. and learned Gentleman's statement, both the House and those whose livelihood depends on those yards are entitled to more information.

Although this subject is not strictly within the terms of the motion I have moved, I hope that the Minister will say something about Harland and Wolff, which is an important part of the British shipbuilding industry. He will know that there is in hand a project for the building of a major liner known as the Ultimate Dream, which will require substantial Government support. That support ought to be given because of the importance of Harland and Wolff to the Northern Ireland economy. I do not need to labour that point, because it is well understood.

Less well understood is the reason why a substantial proportion of the work involved in building that massive liner—perhaps as much as 70 per cent. of it—will be undertaken by mainland suppliers and contractors. My hon. Friends and I have received many representations on that point, including those from Senior Green of Wakefield, which is competing for an order for two oil-fired boilers, five exhaust boilers and ancillary equipment; and Industrial and Marine Switchgear of Hull, which is competing for the order to supply switchgear.

That makes a point to which I may return later. While the initial order for a ship is of course of great importance to the shipyard that is fortunate enough to get it, it has major implications for the back-up industry, the

hinterland of industrial activity that goes to support shipbuilding. In the case of Harland and Wolff, much of that benefit will be felt in mainland industry.

The really urgent problem, however, and one which now demands a clear answer from the Chancellor of the Duchy, arises in respect of the most important remaining part of British Shipbuilders. Assuming that Govan and Appledore go, what will remain is North East Shipbuilders Ltd. The danger is that it will be left in a non-viable, certainly vulnerable and exposed, position.

The fears arise not only because of the inevitable consequences of this process of dismemberment—this death by a thousand cuts—but because the position of the yard, which is of such importance to the regional economy, has unfortunately been exacerbated by the contractual difficulties that have arisen on the one remaining major order on which the yard is working.

On 18 April, the Minister broke the news to the House that those difficulties had arisen. I hope and expect that in the ensuing four weeks he and his advisers, particularly his legal advisers, have been thoroughly involved in trying to sort out what appears to be a legal argument. I hope that he will be able to tell the House today that the difficulties have been resolved, or are well on the way to resolution.

It is time for the Government to establish the truth of the matter. We have heard and continue to hear—this was stated in a television programme on which the Minister and I appeared together this morning—that the problems arose because of unsatisfactory work being done by the yard. That is a very prejudicial statement; it is prejudicial both to the good name of the yard and those who work in it, and to the proper resolution of the contractual problems.

I hope that the Minister will take the chance to make it clear—as I believe to be the case—that the contractual problems have arisen not because of any unsatisfactory work done in Sunderland, but because the Danish customer is having difficulty either in finding the money to pay or in finding customers to whom to sell the ferries on. If either explanation is correct, I hope that the Minister will say so, but if the position is as I believe it to be, I feel that we are entitled to ask further questions.

We shall need to know what the status of the order is, how much of it is to be carried out and how much of it is covered by the Export Credits Guarantee Department guarantee—which, after all, is offered by a part of the Minister's Department, and for which he must therefore take some responsibility. When I spoke to him some time ago about the matter, he did not know exactly what the effect or scope of the ECGD guarantee would be. I hope that by now he has informed himself and can tell us what would happen if—in the worst case—the Danish customer was unwilling or unable to pay, and the guarantee had to be applied in its fullest possible form. I hope that he will be able to explain how many ferries would then be built, and what that would mean for the continuing work programme on Wearside. That is the minimal information that is decently and properly required by those who are still busily engaged in building the ferries. They need to know what their future is to be.

There is a further question. If the Danes drop out of the picture and the ECGD guarantee is not adequate to ensure the continued performance of the full contract, what are the prospects of finding other customers? The Minister will know that there is a strong belief in Sunderland, particularly on the part of the management at the yard, that there is a real prospect—I am not competent to judge, but this is their belief—that the Cubans may be interested in buying at least some of the ferries. When my hon. Friend the Member for Sunderland, North (Mr. Clay) and I, along with others, spoke to the Minister a couple of weeks ago, he professed ignorance—or at least, considerable doubts—about the possibilities. I hope that he will now be able to tell us what the chances are, and what efforts he and his Department will make to bring them to fruition.

These are real questions. We certainly do not intend to use the debate to rant and rave or score political points. We want to hear the truth—the facts—from the Minister, because that is what the work force needs to hear. We also hope for an answer to a much wider question. The question that we wish most of all to be answered, because the answer will provide the context in which all these matters are to be resolved, is this: are the Government still committed to the survival of the industry?

We know, and the Minister knows as well, that there have been repeated reports—I am tempted to say authoritative reports—that the Government have made up their mind to pull the plug on British Shipbuilders, and that they are looking for an opportunity later this year to announce that they will no longer provide the financial support that is still required if the industry is to be maintained. I hope that the Minister will make it clear that those reports are ill founded. I hope that he will say that the short-term contractual problems of North East Shipbuilders are simply that, and not an occasion or pretext for announcing that that part of British Shipbuilders, which is an important component of British merchant shipbuilding, is to be allowed to go to the wall.

Mr. Eric S. Heffer (Liverpool, Walton): Surely, if the Government decide to withdraw financial aid from the shipbuilding industry—which seems likely—and to turn it over entirely to private enterprise, that is a political question. The Government's entire policy on shipbuilding over the years has been political. They have deliberately allowed the industry to run down for political, sectarian reasons related to their outmoded and outdated philosophy.

Mr. Gould: My hon. Friend is right. I made the same point in my opening remarks. I believe that the Government's attitude to the industry has typically been dictated by exactly the political and ideological questions to which my hon. Friend refers. In fact, as I look for the point that I have reached in my speech, I see that my next remark was to be that unless the Government gave the commitment that we demand, we would be forced to conclude that this was yet another part of the British industrial steel base that was to be sacrificed on the altar of ideology.

Of course no one wants subsidies for their own sake. No one would be more delighted than all the thousands of people whose jobs still depend on merchant shipbuilding if it were possible to say that they had a viable future without subsidy. But if the present Government are to take the high-handed view that nothing is to survive if it requires subsidy—I suspect that there are powerful voices, if not in the Department of Trade and Industry at least on the Tory Back-Benches, who would say exactly that—we must face

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the fact that the worldwide problems of shipbuilding over the past decade have dictated that no shipbuilding industry in the world would have survived without subsidy.

We are not in a unique position. We are not even in a position that applies to Europe but from which the far east is exempt. The Koreans and the Japanese are also subsidising massively. They are doing so because they know that that is the only way to maintain the capacity in that important industry, which they have decided for political reasons—my hon. Friend the Member for Liverpool, Walton (Mr. Heffer) is right; they have made a political judgment—they want to survive.

Therefore, the industries which survive this admittedly difficult period will not necessarily be the industries which pass the commercial test, because none of them would survive according to that test. The survivors will be those which are supported by Governments who make the political decision that they want to see national shipbuilding preserved because they recognise its importance to the national economy. That is what we ask and expect to hear from the Government. We want that political commitment so that we can be sure that the Government recognise the importance of the survival of the industry.

When we turn to competitive matters, we are also entitled to say that British Shipbuilders and British merchant shipbuilding generally have done amazingly well; they have taken huge strides to improve their competitiveness and efficiency. When British Shipbuilders has slimmed down at the cost of many tens of thousands of jobs, when it has improved the flexibility of its work practices, and when taxpayers have contributed hundreds of millions of pounds of investment to the point where British Shipbuilders and NESL are so advanced technologically that even the Japanese visit them to see how things are done, how remarkable it would be if at that time the Government said, "This is the point at which we pull the plug, destroy all that has been achieved, and thank and reward those who have made these substantial efforts by telling them that their industry is no longer required."

How ironic it would be if that step were taken, after such a difficult decade, just when for the first time there is a glimmer of a possibility—some would say a likelihood—of an upturn in world demand. The evidence is there in the fact that the proportion of laid-up shipping is at its lowest level for 10 years, now just 4 per cent. of the world fleet. The evidence is also there in the fact that the price of secondhand ships has doubled in the last year and that the price being fetched for new ships has also risen substantially. How ironic it would be if this were the time that the Government, for ideological reasons, were to decide to wield the axe and chop our industry down just when it is poised to take advantage of the upturn in world demand.

How ridiculous it would be if a great maritime and trading nation, which, despite the Government's worst efforts, still accounts for 8 per cent. of world trade, were unable to take advantage of improved circumstances. At one time, this nation built half the world's shipping output; 30 years ago it built more than a quarter of the output; now it builds only 1·5 per cent. of total output. How ludicrous it would be if we no longer had any merchant shipbuilding capacity. We would be dependent on foreigners who had had more faith in their shipbuilding industries and who had understood the commercial, strategic and industrial advantages of retaining that capacity.

Mr. David Porter (Wavency): Will the hon. Gentleman confirm that in his last statement he ignored completely the private sector shipbuilding yards and concentrated totally on the nationalised industry?

Mr. Gould: As the motion makes clear, I am concentrating on merchant shipbuilding. That is the element of the industry which we believe is strategically important.

Sometimes the Chancellor of the Duchy and his ministerial colleague disagree with me on the meaning of "strategic". Sometimes they argue that "strategic" has a solely military connotation. Let us accept that its military connotation is strong. I have had calls today from naval architects and specialists who said that, unless we maintained the capacity to build merchant ships, not just in the mixed yards but in the specialist merchant shipbuilding yards which could undertake the range required, we would be incapable of mounting any sustained naval operation, particularly of the sort which we saw at the time of the Falklands war. All the experts agree that without that capacity, we would be unable to mount a Falklands operation again.

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): If all merchant shipbuilding went, that would be right. But does the hon. Gentleman recall that he started his speech in a statesmanlike manner by claiming that he would do nothing to raise fears and spread rumours? He is now working himself up to a peroration in which he accuses the Government of being about to close down our entire merchant shipbuilding industry for ideological reasons, a statement for which he has no basis of fact. He is making that accusation against a Government who have so far put £1·8 billion into supporting the losses of British Shipbuilders. Does he not think that he is trying to raise fears in shipbuilding towns purely for political purposes?

Mr. Gould: Nothing would please me, my hon. Friends and the hundreds of shipyard workers who have come to London today to lobby for their industry today more than if the Chancellor were able in two or three minutes to give us the answers to the questions which we have posed and to give us the commitment which we seek to the future of British merchant shipbuilding. He will have every opportunity to convince us of his good intentions and good faith in these matters. I hope that he will, but on the basis of what he has told the House and what he has said outside, I am sorry to say that there is room for grave doubt and real fear about what the Government have in mind for this essential industry.

It is not just the strategic importance of the industry which matters; it is the impact on the local and regional economy if the NESL yards were to be lost. No doubt my hon. Friends from Sunderland and elsewhere will make that point. It is not just shipbuilding which would be affected. Other industries in marine engineering depend on shipbuilding for their survival. I think of enterprises such as Clark Kincaid, which is making engines for the ships

being built in the Govan yard. My hon. Friend the Member for Greenock and Port Glasgow will have something to say about that.

The ramifications of the Government's decision are important; on that I think the Chancellor of the Duchy and I agree. We now provide him with an opportunity to give us the assurances on Govan, Appledore and North East Shipbuilders, and to tell us the truth and what the Government intend to do. We expect answers to those questions. We expect the right hon. and learned Gentleman to make clear his commitment to this vital industry. Nothing less will do.

4.47 pm

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'recognises the support that Her Majesty's Government has given to the shipbuilding industry; and welcomes the prospect of returning British Shipbuilders' yards to the private sector.'.

I came to the House on 18 April to give hon. Members the earliest possible information about two items of news that were of great importance to shipbuilding areas. The first was that British Shipbuilders had received approaches —unsolicited approaches which the Government did not know were coming—for the disposal and sale of two yards, Govan on the Clyde and Appledore in Devon. I made it clear that we would welcome further interest from people wishing to take over business in all the corporation's facilities. I also told the House of the contractual difficulties that had arisen at North East Shipbuilders Ltd. in Sunderland. Those difficulties were already known to the work force and were about to become public, and it was important that the House should be aware of them.

I made that statement to the House because I and the Government realise the importance of shipbuilding yards to the communities in which they are sited. We are all concerned about the prospects for the local economy in Clydeside, Wearside, north Devon and other parts of the country. As my hon. Friend the Member for Waveney (Mr. Porter) said, there are other yards as well. What we are talking about is how best to sustain economic activity, including shipyards if possible, and employment in all those places.

We need to take advantage of the opportunity to look to the future of the economy in all those places and to keep up to date everyone who is understandably concerned about the facts, so that everyone may know where we are. I am not sure that this early debate, or the approach of Opposition Members on the Front and Back Benches, is altogether helpful. It is all very well for the hon. Member for Dagenham (Mr. Gould) to say that he wishes to do nothing to raise doubt and rumour, but he concluded by constructing an argument that contained the proposition that some deliberate attempt is being made to close down the yard. That hardly reassures the worried people in Glasgow, Sunderland or anywhere else.

I have had similar experience elsewhere. I have had several meetings with the hon. Member for Sunderland, North (Mr. Clay). I mention him only because I see him in his place, as I would expect during such a debate. I have tried to be helpful and forthcoming when I have spoken to him, although sometimes I have had to be reserved to avoid jeopardising negotiations on the Clyde and elsewhere. His way of recounting to local newspapers what I have said seems aimed more at local politics than at helping the situation.

There is an important lobby today of people from the shipbuilding towns who are concerned about future employment levels in those towns. They have lobbied today largely because of speeches such as we have just heard, which have made people increasingly worried about where we are going. We ought to provide some answers. I shall certainly attempt to explain clearly where we are.

Mr. Bruce Millan (Glasgow, Govan): Show us where we are.

Mr. Clarke: The Opposition's explanation of where we are is hopelessly political. The hon. Member for Dagenham was listened to with care. The Opposition are now confirming my feeling that their concern is to create a row, rather than to discuss the issue sensibly.

The hon. Member for Dagenham, in describing what had happened, said that the Government had created the situation. The two things that I have mentioned, the Kvaerner bid for Govan, and the difficulties over the contract at Sunderland, are nothing to do with the Government. We did absolutely nothing to provoke them. The hon. Gentleman did not mention the underlying difficulty that has to be understood when considering shipbuilding—where are the orders coming from, and where is the work coming from? It is astonishing that he made a speech about the history of shipbuilding over the last 10 years. He dealt with the past at great length, without mentioning the slight difficulty that at the moment there are no orders from anybody who wishes to buy ships beyond the existing work on the Clyde.

The problem is getting orders. The existing work in Govan is for China, and in Sunderland it is for the Danish ferries. We are looking beyond that. We are talking about the future. It is absurd to say that the Government have caused all the problems. We just do not know where the next orders are likely to come from or at what price. Like most shipyards around the world, we are trying to cope with that.

Mr. Gould *rose*——

Mr. Clarke: I shall give way just once. I do not wish to give way to the Labour party before I have really got under way.

Mr. Gould: The Chancellor is right to say that winning orders is a problem. We accept that. Does he accept that one essential condition for winning orders is the assurance that the Government intend to maintain a viable British merchant shipping industry? Will he now take the opportunity to assure the House that that is the Government's intention and that they will provide all the support required to achieve that objective?

Mr. Clarke: The prospects of having a viable shipbuilding industry, which we all would like to see, remain extremely uncertain because of the condition of world markets. Having listened to the hon. Gentleman's speech, one would not believe that the Government have committed substantial sums to intervention fund support, and more to British Shipbuilders' yards. The bulk of the money that has gone to British Shipbuilders has been invested during the lifetime of this Government a total of £1·8 billion of taxpayers' money has gone into a business

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that now employs 6,500 people. It is absurd for the hon. Gentleman to try to make use of today's debate to say that somehow we have shown a lack of commitment to the industry during these difficult times.

Mr. Heffer *rose*——

Mr. James Wallace (Orkney and Shetland) *rose*——

Mr. Clarke: Let me take the factual basis a little further, as I have been pressed to do.

I made the announcement on 18 April, and as a result there has been a great deal of interest from people making approaches for a variety of the yards. It is quite right that I am asked to bring the House up to date. The news about Govan and Appledore has brought two main responses. There has been a wealth of inquiries from the private sector about the corporation's yards. Obviously we welcome those inquiries, as we welcome the prospect of returning the yards to the private sector if they have a future there.

I announced Kvaerner's letter of intent on 18 April. I am glad to say that talks have continued to go well. Not only is Kvaerner engaged in detailed negotiations with British Shipbuilders—which it would not be right for me to relate because difficult negotiations have to be concluded if we are to reach a successful solution—but it has had a very useful first meeting with the work force.

I listened to what the hon. Gentleman said about the possibility of a sale to Kvaerner. I think that I judged him correctly when I thought he would not oppose the sale to Kvaerner. I do not think that the local work force will drive away the approach from Kvaerner. I think that they welcome it, and I commend all those in Glasgow who are taking a responsible and realistic attitude.

More talks are planned for next week between British Shipbuilders and Kvaerner. I cannot anticipate where they will go, but I can point out to the House that not only has Kvaerner made it clear that it would contemplate placing two orders for gas-carrying ships in the yard—and there must be hopes of more orders—but that it wants to make west Scotland the centre of its gas technology business. If that were to happen, there would be prospects for many more jobs on the Clyde.

I am still being asked why we have to sell to Kvaerner and why we cannot simply take the orders. I have tried to explain this before, and I do not know whether Opposition Members have tried to raise that question with Kvaerner. Kvaerner is well established and has considerable expertise in this niche market—not all of it in shipping. Its gas technology business extends beyond shipping. It has recently been placing orders on licence around the world on a price basis. Its business intention is to acquire a yard and find a new base, and I think that we all should be hoping that negotiations will reach a successful conclusion so that that very important base is established on the Clyde.

The future for Govan and for what was Upper Clyde lies best in the conclusion of such negotiations. If it does not happen with Kvaerner, we would be interested in anyone else who offered a reasonable prospect for the area. As things stand, Govan is completing two ships for China. Nobody knows what it will do beyond that as a nationalised yard. It is all very well for the hon. Gentleman to read declarations about his ideological commitment to the future of British shipbuilding, but he did not say a word about what it will build in Govan and what will happen when the Chinese ships are completed and the work force in Govan starts being laid off if there is no movement towards the Kvaerner sale to which I have referred.

We have received several written expressions of interest in Appledore. It depends on how seriously one takes them —some are more serious than others—but there have been a number of inquiries about the purchase of the Appledore yard. Some are interested in Appledore, some are interested in Ferguson and some are interested in Appledore and Ferguson as an entity. Negotiations have yet to get very far, but the interest, especially in Appledore, is very strong. I do not want to raise excessive hopes, but I am optimistic about a successful conclusion.

British Shipbuilders has businesses beyond merchant shipbuilding. Its engine building facility at Greenock, Clark Kincaid, builds large diesel engines for use at sea and in land-based power generation. We have received four expressions of interest in the acquisition of Clark Kincaid, including one from the management team, and negotiations for the sale of that shipyard have begun.

Finally, British Shipbuilders has a design and computer service business, Marine Design Consultants, which is based in Sunderland and in Dundee. MDC has attracted a particularly high level of interest. Again, I do not take all expressions of interest as commitment, but I have received a huge list of people who have expressed some interest, and I am confident that it will successfully be returned to the private sector, where it can broaden the range of its work.

I accept that there are questions about the future of British Shipbuilders because a number of the yards are now the subject of negotiations between British Shipbuilders and companies which have a serious continuing interest in maintaining them in business and maintaining a level of employment. On balance, that is good news. In fact, the approach from the Norwegians has reminded people at home and abroad of the Government's preparedness to dispose of the yards to those interested in acquiring them as a business. That has produced good news for Clydeside, north Devon and elsewhere.

I was asked about Harland and Wolff. I cannot go into that because it is the responsibility of my right hon. Friend the Secretary of State for Northern Ireland. The hon. Member for Dagenham spoke about an order, or about the campaigning that is taking place because of the interest of Mr. Ravi Tikkoo in buying a large cruise ship. That is a matter for my right hon. Friend the Secretary of State for Northern Ireland. I do not believe that at present he has any indication of the cost or the level of support required. I am sure that everybody in Northern Ireland, including the taxpayer, would be interested in receiving those details and evaluating them as early as possible.

Mr. Elliot Morley (Glanford and Scunthorpe): I want to draw the Minister's attention to what people are looking for in the order at Harland and Wolff. They want some enthusiasm and support from the Government. I accept the right hon. and learned Gentleman's point that the details are not known, but for many constituencies such as mine, which produces steel plate, and for firms such as CMR Electronics, which has submitted a major tender for the order, it will have great benefits.

Mr. Clarke: I am astonished if tenders are being submitted. It is not for me to answer on behalf of my right hon. Friend the Secretary of State for Northern Ireland, but my understanding is that the Government do not yet have estimates of cost, support or anything of that sort. If there is enthusiasm for the order, the sooner we move away from everybody being told through the newspapers about what an attractive proposition it is, and the sooner we get down to costs and estimates of how much the taxpayer is expected to contribute, the better it will be and the more likely we are to make progress. I can see that I am being drawn into a Northern Ireland debate. I touched on Harland and Wolff simply out of courtesy in response to the hon. Member for Dagenham.

The Government are explaining as carefully as we can where we stand with the yards in England. There is a good future in prospect for the bulk of the yards where there is interest in purchasing them, and we cannot be accused of a lack of commitment or of shirking our responsibilities. I shall repeat for the last time the figure of £1,800 million for 6,500 workers still employed. Last year, each job in British Shipbuilders cost the taxpayer nearly £20,000 to sustain through the support for the orders we had acquired and the subsidy for the losses that the yard was making over and above the intervention fund support. That is a commitment to one part of merchant shipping.

To return to the point made by my hon. Friend the Member for Waveney, we should not proceed with this debate on the basis that British Shipbuilders makes up the bulk of shipbuilding in this country. That is not readily appreciated by people away from the shipbuilding areas. British Shipbuilders, the nationalised industry, employs 6,500 people. In Britain—I shall leave Northern Ireland out of my figures for a moment—26,000 people are working in other yards. The total number of shipbuilding jobs in Britain is 32,500. Our £1,800 million has been used to sustain the jobs of 6,500 out of that total. That certainly means that we cannot be accused of a lack of commitment. There is no point in saying, as the Opposition seem to imply, that the only policy is to continue to throw money of that scale at the problem, particularly when they do not address themselves to the question of what they will do about new orders.

Intervention fund support has not been the major cost of British Shipbuilders. The amount of intervention fund support—the subsidy that Europeans give for orders—has amounted during our period of office to about £250 million. The rest, over £1·4 billion, has largely been spent in supporting the losses over and above the intervention fund support, and in supporting spare capacity costs when there were no new orders to cover those overheads. Every time we have taken an order the Government have given a 28 per cent. level of support. That has happened every time there has been an order from China, Denmark or wherever. The history of British Shipbuilders is that, on top of the intervention fund support, it has lost an average of about 20 per cent. more on the contract with cost overruns and delays before the ships are delivered.

The respective sales will result in new management and, in the case of Kvaerner, new forms of business. There will be people who believe that they can turn those chronically loss-making yards, some of which have been limping along in recent years, into businesses with a real future that can be put on to a commercial footing. That has to be better for the work force and for the communities that depend upon them.

Mr. Wallace: The right hon. and learned Gentleman has mentioned orders on several occasions. Is he aware that the Orkney Islands council wants to place six orders for new vessels in the near future? It found that when it wished to place an order with a British shipbuilding firm the intervention fund assistance would not necessarily be forthcoming, and it has been compelled to look abroad, where it has found that our foreign competitors are being subsidised, including one country where the subsidy will be increased threefold. How does the Minister think that that policy will help British shipbuilding?

Mr. Clarke: Intervention fund support has never been available for all yards in the United Kingdom, and most people have agreed with that. If one starts extending intervention fund support to yards that are not traditionally merchant shipbuilding yards, one simply increases the problems of excess capacity. The mood of Opposition Members on this occasion seems to be that the details of the Orkney contract would be better pursued on some other occasion.

Mr. Michael Grylls (Surrey, North-West): Are not the figures that my right hon. and learned Friend has given of four times as many people working in firms that have been returned to the private sector a vindication of the Government's policy of returning the yards to the private sector step by step? Will my right hon. and learned Friend take encouragement and move further in the way in which he is describing? The record of the Northern Ireland Office in backing winners is not very high. I hope that it will pause before it puts more money into another dream project.

Mr. Clarke: On the first point, some of the privatised yards have been hugely successful and are doing better now than would have been the case had they remained nationalised. On the second point, I am sure that my right hon. Friend the Secretary of State for Northern Ireland would not dream of putting before the House any proposition for public support for a major industrial order that was not well-judged, based on costs and a serious assessment of what it would be likely to cost the taxpayer. That is a matter for my right hon. Friend, not for me.

I want to deal with the last point raised by the hon. Member for Dagenham, when he said that I must reaffirm the Government's commitment to the industry and so on. Nobody can quibble about our record of support for British Shipbuilders, and we shall continue to fund the corporation. We have laid an order before the House to raise the corporation's borrowing limit yet again. This will be debated in the near future on the Floor of the House. I made it clear that I no longer expect dividends to be proposed by or required of the corporation in respect of further payments of public dividend capital. Just to prove my point on the current stewardship of the Government, we shall be paying a further £24 million to the corporation this week.

I shall move on to talk about the problems at North East Shipbuilders Ltd., the problems of the orders that we have and the contractual difficulties. Hon. Members on both sides of the Chamber are concerned about the state of the ferry programme at North East Shipbuilders, and I am sure that that is why many people from the north-east have come here today. We all know that there has been a dispute between British Shipbuilders and its Danish customer. I cannot intervene in that. My hope is that the

[Mr. Clarke]

dispute will be resolved. British Shipbuilders strongly denies any suggestion that the ferries are inadequate, or that there are defects in them. Counter-allegations are being made by the customer. We hope that the dispute will be resolved and that the contract will continue.

That contract is heavily supported by the Government. A total of £1 million-worth of intervention fund support is going into every ferry built. The contract price to Mr. Johansen is £4 million. The intervention fund support does not include the soft loans, and so on, which have also gone in to help this order, which is potentially for 24 ferries. At the moment the customer is in default on a number of the contracts, with the result that only two ferries have been delivered, and, as anybody who goes to Wearside is, unfortunately, able to see, there is a growing row of fine ferries moored there. In the opinion of British Shipbuilders these are potentially available for other customers. I think that there are seven ferries now on the river.

We are still waiting for negotiations, and I do not believe that it would be helpful for me to go into a blow-by-blow account of where the parties think they are at the moment. I accept that there has to be some doubt about whether the programme will be completed, but for the time being it is continuing. For so long as it is continuing, for so long as the ECGD has not declared the customer to be in default under his loans, and for so long as neither party has declared any intention of shortening the contract, we proceed with laying the keels and the customer keeps being declared in default under the contract. Everybody is hoping that this matter can be sorted out satisfactorily but, with the possibility of the programme not being completed, we are looking to the possible future in Sunderland.

Everybody accepts that any termination of orders in Sunderland would be a great blow to the local economy. Only as events unfold will we know whether Sunderland's future lies in continued support for the Danish ferries or any other kind of order or in looking for other, alternatives ways of stimulating employment in the town.

There will be talk of Cuban orders. I do not believe that the Cubans have any intention of taking the ferries, which are of a particular design intended for the Scandinavian waters. The hon. Member for Sunderland, North is always talking to me about the Cuban order, and the Cubans do, indeed, appear to be contemplating the possibility of building freighters, but no proposition has yet come in. Remembering the history of orders of this kind over the years—Polish ships, Chinese ships—we must look very carefully at these orders. The purchaser is very heavily subsidised, so one has to look very carefully at the financial basis of what is proposed.

We are making it clear to all prospective purchasers of British Shipbuilders' yards that we will discuss with them support for new orders and the basis upon which we might contemplate continued support of an intervention fund kind for the future. I should be inclined to consider requests for support from British Shipbuilders with considerable care, if not scepticism, in the light of the very heavy losses over and above the intervention support that British Shipbuilders has consistently made in the past.

People from Sunderland obviously want to know what the immediate outlook is. At the moment we have this contract under negotiation. First, it is a small source of comfort, but very relevant, that no scenario—if I may use that awful word—that can be contemplated for the outcome of the Danish ferry dispute means that the yard will close tomorrow, or anything like it. There are months of work that is bound to continue, including work in hand, contractual obligations, and so on. We are not facing a disaster that will lead to an overnight shutdown. Secondly, other things are happening in Sunderland. The Government have helped Nissan cars to go into Washington new town, and there is the potential for a huge amount of extra employment there in the early 1990s.

In any event, unemployment is falling rapidly in Sunderland. This morning's news is extremely good. Unemployment in Sunderland has fallen by 4,500 over the last 11 months. Unemployment in the Sunderland travel-to-work area has fallen faster than the average for the northern region as a whole, where unemployment has fallen faster than in any other region of the country except the west midlands.

We are not talking about a no-hope town. We are talking about a town in which the economy is coming back very strongly. I fully expect that the hon. Members for Sunderland, North and for Sunderland, South (Mr. Mullin) will get up and say that everything is dreadful in Sunderland. I do not think that they do their town a service, because it is engaged in a great revival of activity and they should be lobbying me about the shortage of factory space for people who want to invest in alternative employment.

Things have moved a little since my last statement, but I believe that the Opposition have rushed too soon into this debate. Negotiations are continuing with Kvaerner. There are more potential customers who wish to acquire other yards—Appledore, Ferguson, and so on—with a continuing interest. The dispute over the Danish ferries is not resolved yet, but work is continuing and there is no imminent threat of all work coming to an end.

We are not talking about the end of British shipbuilding. We have had all this talk about a strategic industry and how a great maritime nation can go forward without a shipbuilding capacity. The great bulk of the industry is outside British Shipbuilders' merchant yards. We retain a great shipbuilding capacity for purposes of war or other purposes. British Shipbuilders' warship yards are already there and we have the private sector merchant yards that were never nationalised. Their employment may be modest in total, but it now approaches one sixth of that of British Shipbuilders.

I am pleased to say that there is a substantial amount of work in progress on warship building. Vickers and Cammell Laird have submarine programmes stretching well into the 1990s. Swan Hunter has two type 22 frigates and one type 23, and a second auxiliary oiler replenishment vessel under construction. Yarrow has one type 22 and three type 23 frigates. Vosper Thornycroft has work on smaller vessels until 1993.

There are good prospects of a substantial amount of new work in the shape of further type 23 frigate orders. Four companies have already tendered: Swan Hunter, Vickers, Vosper Thornycroft and Yarrow. We cannot say at this stage how many frigates will be ordered and when, but they are very important prospects. All these companies are thriving. They are the companies that the hon. Member for Dagenham was dismissing a few moments ago as failed companies in the private sector. As my hon.

Friend the Member for Surrey, North-West (Mr. Grylls) pointed out they are all extremely successful warship builders.

Warship builders can and do build merchant ships as well, although they do not get intervention fund support to do so. Swan Hunter is building a cable ship at the moment. Hall Russell is building a replacement vessel for St. Helens. The small private yards that I mentioned are building a range of vessels, including tugs and fishing boats. Further orders have been announced for, among other things, chemical tankers, a ferry and vessels for the Ministry of Defence. All that is shipbuilding. The Government are not in any way indifferent to the fate of shipbuilding in this country. Large sections of the shipbuilding industry are doing well and quite a number of the British Shipbuilders yards that we are talking about this afternoon are likely to do well if they go into the hands of companies such as Kvaerner and get into specialist markets in the future.

I do not for a moment deny that we are at a somewhat difficult crossroads with British Shipbuilders with the news that I have had to report on different yards where events vary from case to case. There is a limit to the information that I can give until negotiations and disputes have been resolved.

Having put in all this money to sustain the industry through a difficult time, the Government are looking to the future of the yards and the economy on Wearside and Clydeside, at where the modern jobs, the next jobs, are to come from and at the continuing, and we hope rising, employment in those towns. That is what matters most of all. I hope that the future will include shipbuilding in most of, if not all, the places with which we are primarily concerned today. We cannot be faulted for the support that we have given to shipbuilding in the past, or that we are giving to it now, which is generous to excess compared to any other industry in the country.

We shall continue to handle the problems of Govan, NESL, Ferguson and Clark Kincaid on the same pragmatic basis, case by case, and try to reach a successful conclusion. We shall handle them in a sensitive fashion, but we are not helped by the Opposition seeing the prospect of fanning a few fears and winning a few quick political points, and spreading a few unjustified rumours in the hope that they will get some advantage out of the present changing situation in the British shipbuilding world.

5.19 pm

Mr. Ted Garrett (Wallsend): It is 25 years since I made my first speech in the House on shipbuilding. Since then I have seen the nationalisation and denationalisation of the industry and served on the Committee that examined the relevant Bill in long and controversial proceedings.

I am cautious when it comes to predicting the total demise of the British shipbuilding industry. There are historical reasons for its present position and we should not spend much time in this short debate analysing them. We should look not backwards, but forwards to what is likely to happen.

I am pleased that the Minister mentioned Swan Hunter which is in my constituency. It was nationalised and then denationalised. When it was nationalised it spent some of the money given to it in the form of subsidy on modernising the yard and making it more efficient. The benefits of increasing its efficiency and of modernisation have been seen since it was denationalised, so the money was not wasted.

In the past two years the Swan Hunter group has made tremendous improvements in its efficiency and in cost reduction. Overheads have fallen by over 30 per cent. and productivity has improved by 25 per cent. Those are good, aggressive moves to keep the company in international shipbuilding. In some ways the taxpayer is now beginning to receive value for money.

The shipbuilding industry is now tightening up and making more aggressive its purchasing from local suppliers and from British industry in general. That had to come. In the past, the industry was rather slothful; it did not shop around widely enough to make its sub-contractors keen and competitive.

Recently, the result of this efficiency was shown when HMS Sheffield was handed over to the Ministry of Defence ahead of time. We should give credit for that to the shipbuilding workers and management on Tyneside. The ship was handed over with no defects or work outstanding, and the captain expressed complete satisfaction with his mastery of the ship. Such news was well received in the district, but not in the national press, in which one never hears about the good side of the business. All the national press ever does is knock the shipbuilding industry, and that has had an effect on morale.

Some companies are beginning to fight their way out of this position and adopt a more positive attitude. But I warn the Minister that this progress towards efficiency by companies such as Swan Hunter can be maintained only against a background of continuing work. Unless that is guaranteed, companies will have to make substantial cuts in their work forces. We are nearing the threshold of further cuts because of reductions in the volume of work.

The mix at Swan Hunter's yard should serve as an example to others. It consists of Ministry of Defence and merchant contracts. The company has tightened up its marketing, and its maintenance of overseas sales drives has brought an order from Ghana and a possible order from India. Above all, the company has won a substantial order, worth £40 million from Cable and Wireless, in the teeth of intense competition. Cable and Wireless did not hand over the contract—it had to be fought for.

The Government's philosophy of a hands-off approach to massive subsidy will have to change. A time is coming when we shall have to put in some money for social reasons. The company will need a social input of cash to maintain the initiative and incentive that it is now developing. It will need that to remain in the international market and as a large contractor for the Ministry of Defence.

We hope that when the contracts for the four frigates are announced, Tyneside will get a substantial share of the work. If it is successful, it will be based on a completely costed contract. The Ministry of Defence wants value for money, and it will get that from companies such as Swan Hunter.

The Conservative party's blind spot—it was evident in the Minister's speech—relates to the £20,000 per job that the British shipbuilding sector costs. How does that square with the amount it costs to keep a British farmer in a job? If we had that figure we would have a reasonable basis for comparison.

Mr. Phillip Oppenheim (Amber Valley): It costs £3,500 a year.

Mr. Garrett: I am not opposed to subsidies to the farming industry if they are kept within reason, but the Conservative party is usually silent about subsidies to British farmers——

Mr. Oppenheim *rose*——

Mr. Garrett: I have nearly finished.

The Conservatives create mayhem about the costs of subsidising shipbuilding. I am not stupid enough to think that every shipbuilding yard should remain open if that is impossible for various reasons. My hon. Friend the Member for Sunderland, North (Mr. Clay) will, I am sure, have his say about this later. Sometimes, for social reasons, a shipyard should be kept open in the short term until work comes along, and it will, because of the efficiency measures that management is introducing and because the work force realises that do-or-die efforts lie ahead.

I conclude by asking the Minister—who, I know, will not budge if I mention massive subsidies—to bear in mind in future discussions in Cabinet and with senior colleagues that there is a case for a short social fund payment to tide British shipbuilding over until orders are obtained. If he will give some sign that he thinks there is merit in my point of view, I shall be satisfied.

5.28 pm

Mr. Barry Porter (Wirral, South): I hope the hon. Member for Wallsend (Mr. Garrett) will forgive me for not following his argument about the north-east. As always, his speech was reasonable, save in one respect. From listening to him and the hon. Member for Dagenham (Mr. Gould), one would think that the Government had been wholly indifferent to the fate of British shipbuilding over the past nine years. I hate to repeat the figures—repetition is a form of flattery; but perhaps this is meant to be that —but the Government have spent £1·8 billion in that period to ensure that the industry is supported in one way or another. That is not indifference.

Mr. Gould: As the figure of £1·8 billion has been cited so frequently, it is perhaps worth making it clear that a substantial proportion of that money went to the much touted privatised yards, and another large proportion has gone on the costs of restructuring and redundancies in British Shipbuilders. The money has not gone entirely to British Shipbuilders' present operations.

Mr. Porter: A large proportion of it was used to pay for some restructuring in the industry, and it is right that that was done. Whatever way one looks at it, a substantial tranche of public money has gone to the British shipbuilding industry; that cannot be gainsaid.

I shall speak about my own area. My earliest memory of the shipbuilding industry was watching the launch of the Ark Royal in about 1950-51, when Cammell Laird employed about 20,000 people and was the hub of the town in which I was born. *[Interruption.]* This was a bigger and better one. It was difficult for me to watch the decline of a town that depended upon shipbuilding and had its heart in the shipyard. I still live in that town and I am pleased to see in the Chamber listening to my speech the hon. Member for Birkenhead (Mr. Field).

The hon. Member for Dagenham concentrated on the problems of merchant shipbuilding, but problems also exist in the warship market. They are not as critical as those in the merchant sector, but there is very keen competition between the yards. The hon. Member seemed to ignore the obvious reason for that, excess capacity, and to hope that it would go away. It is obvious that a yard such as Cammell Laird depends greatly on the Ministry of Defence and on the Government's warship procurement programme.

I was delighted to hear my right hon. and learned Friend the Minister say that an order for another four type 23 frigates will be placed some time this year. I trust that the orders will be placed sensibly and that their placing will be based upon the philosophy that underlay the privatisation of the warship yards.

I do not want to give the House a long and detailed history of the problems of Cammell Laird. I am sorry to see that the hon. Member for Liverpool, Walton (Mr. Heffer) is not here, because many years ago he worked, no doubt expertly, as a joiner with Cammell Laird. By 1984 Cammell Laird was nearly on its knees. Nobody cared or worked very much, and that was part of the Merseyside malaise. The yard had no future and was making a loss. There was a politically and industrially motivated sit-in, and without doubt the yard was within a week or so of being shut. With the help of some hon. Members from the area, about 1,250 shipyard workers walked past the pickets. They passed the jeering bully boys, and that was a significant turning point for the town and for Merseyside. The realism shown by the work force was an important British industrial landmark and ensured the survival of the yard.

I hope that I shall not destroy the political career of the hon. Member for Birkenhead any more than I have already done by paying tribute to him for his realistic response at that time. It was realism that obtained the order for the first frigate. The first and second frigates were delivered on time and in good order, and I have no doubt that when we get an order for a third frigate it will also be delivered on time and in good order.

The thrust of my argument is that Cammell Laird went along with the Government's policy of privatisation. It accepted that the Government had the right to do that, and it made itself efficient. It has now increased its work force from its low point of about 1,200 or 1,300 to about 2,000. That is significant. It would be wrong if that yard, having gone through that change, did not get orders. It does not expect them through saying that it is wonderful and marvellous and that it is Cammell Laird's turn. Similarly, it would be quite wrong if other yards got orders on the basis that it was Buggins's turn. The Buggins philosophy is purposeless.

Yards such as Cammell Laird, which have proved their efficiency and shown that they can build these ships, should be given orders on the basis of efficiency, cost and quality. If that does not happen, the whole privatisation programme will make no sense at all. Buggins must not have his turn. On the basis of efficiency, Cammell Laird must have the orders that it deserves. I am quite certain that hon. Members with constituencies on the Wirral peninsula as a whole, and in Birkenhead in particular, will do everything in their power to ensure that Cammell Laird gets what it deserves.

5.35 pm

Mrs. Ray Michie (Argyll and Bute): I have some justification for being happy to take part in the debate, because I have a shipyard in my constituency. It builds excellent fishing vessels and is a very thrusting and enterprising yard. However, that is not the type of yard that we are discussing.

All previous speakers have highlighted the fact that, certainly in terms of production, British shipbuilding is a sad story of decline. The over-capacity in the world's shipping industry has led to a chronic dearth of orders for new ships. It is clear that world production capacity far exceeds future demand in the medium and long term. The fall has not been uniform. In the European Community, for example, the reduction has been about 45 per cent. In Japan, which is the world's main producer, production has fallen by about one third, whereas in eastern Europe it has remained stable. Korea, which is a relative newcomer to shipbuilding, now produces about 15 to 20 per cent. of the world's ships, but the United Kingdom's share has fallen to 2 per cent.

We know that nearly every shipbuilding nation subsidises its shipbuilders, either directly or indirectly. The Minister made much of the support given by the Government. I wonder if he will give some reply to the European Community Council's sixth directive on shipbuilding, which took effect from the beginning of 1987. As I understand it, the Council agreed that the aid ceiling should be set at 20 per cent. for smaller ships costing less than approximately £4·2 million.

The Government decided that the full value of the permitted aid ceiling should not be applied to ships costing £10 million or less to build. Instead, they applied a sliding ceiling under which the amount of assistance available is set at a maximum of 20 per cent. for a £10 million ship, reducing on a straight line basis by 0·75 per cent. for each £1 million drop in shipbuilding cost.

I hope that the Minister will tell us why the Government have cut this level of aid, thus damaging our yards in their efforts to win new orders. It is extraordinary that the Government, having concluded a Community agreement on the level of aid permitted, should then refuse to take full advantage of that agreement.

The decline goes on. It was said in the merchant shipping debate and it should be said again that in 1975 there were over 1,600 British ships. Now we have less than 650. Of course our fleet, like others, has been subject to changing world trade patterns and to innovations such as containerisation. The Government's 1984 Budget which removed incentives to capital investment in shipping was a great blow. I shall speak briefly about Govan.

Dr. Norman A. Godman (Greenock and Port Glasgow): I hope that the hon. Lady will be brief.

Mrs. Michie: I want to say something about Govan because, like the hon. Member for Greenock and Port Glasgow (Dr. Godman), I come from Scotland.

The Government intend to sell off the Govan shipyard to the Norwegian firm. Any additional work and the potential for future orders is to be welcomed, but I do not think we have been told about guarantees that the Norwegians will not just build these ships and then walk away. What hopes are there for more orders? The Minister said in his original statement that the company would be making conditions, but I do not think that he said anything about the Government asking for guarantees for workers or orders. I still do not understand—I ask the Minister again—why the Govan shipyard does not build ships for the Norwegian company. It has the expertise. Are we saying that we could not do it? Alternatively, is there not the possibility of a joint venture or the formation of a partnership?

Hon. Members have referred briefly to Harland and Wolff and the Yarrow shipyard, and to the hope that the type 24 frigates will go there. But the lack of civilian orders is crucial for our yards. We understand that British Shipbuilders—I believe this is true—would prefer to order in our yards, provided that they can compete on price and delivery, and great strides have been made in this direction. It is much more costly for a British company to spend time and money to send someone to Taiwan or Korea than to send him up to have a look at a ship in Govan. I believe that our companies want to build ships here.

The truth is that shipping companies will order ships only if the rate of return on a massive capital investment is at least as good as other investments. Any lack of Government encouragement means that this money goes elsewhere, to the detriment of shipbuilders. We all accept that shipping operates in a very competitive environment. It is not regulated like the airlines. Foreign shipowners can buy cheaper ships because of aid from their Governments, whether by subsidised building, protective trade or assistance with crew costs, and the stark reality is that British owners will not buy ships.

The Government policy means that British yards will not even be at the starting blocks to compete for work; that is bad for shipbuilding and repair, and bad for the national interest. Surely we should be supporting an industrial strategy instead of what seems to be a policy of sell, sell, sell.

I want to draw attention again to the fluctuating exchange rates, which can do more to damage ship-building than almost anything else.

We need a strong merchant fleet to carry our own trade and ensure control, as an island nation, of those vital lines. We need to send clear signals that we can reinforce and resupply our industry and population in times of tension or war. Have we reached the point where that can no longer be certain? It is increasingly clear that merchant shipping will dwindle further unless there is action now.

We have been asked, "Where are the ships and the orders?" Here are the orders. The fleet is aging. Today's ships average 12 years old, and 48 per cent. of container ships are more than 15 years old, so the crucial time for investing in British ships is immediately ahead; indeed, it is now. The Government seem content to let the ships go, and with the ships what remains of the great contribution to engineering skills from the shipbuilding industry, especially in Scotland.

We must take action now. The means are readily available. I heard the Chancellor of the Duchy of Lancaster say this morning on the radio that he wanted somebody to come forward with ideas. I have a list of ideas here, which I will send him rather than take the time of the House now.

Many solutions are on offer in relation to crew costs and investment. The Government need to seize them, and to find the political will to look at the future of our island seafaring nation, and the shipbuilding skills and expertise

[Mrs. Michie]

of our men, so that we have a merchant fleet of which we can be proud, which is British built and crewed by British merchant seamen.

5.45 pm

Mr. David Porter (Waveney): I have been impressed since I came to the House last year by the golden opportunities missed by the Opposition in their choice of subject for Supply days and their treatment of them. I thought for a while that shipbuilding might be a different case, but I am relieved to hear that it is not.

My hon. Friend and namesake, the Member for Wirral, South (Mr. Porter) stressed realism in his speech. Realism is missing from what the Opposition say, not just about the market place but, amazingly for the Labour party, about the shop floor.

The hon. Member for Dagenham (Mr. Gould) who is no longer in his place, I am sorry to see, admitted that he was concerned only with the nationalised industries and yards. I have an independent yard in Waveney, Richards of Lowestoft, which was founded in 1876. It is a living, breathing, vibrant and private yard. I also have Brooke Yachts, which until recently was part of the internationally known Brooke Marine, the famous warship builders. I am concerned with Richards in this debate.

The men on the shop floor at Richards know the reality —that shipowners go to the cheapest source of supply. There is no customer loyalty, as shipping is an international concern. They know it every day, because if they forget it for one minute they will be out of work. They also know that British Shipbuilders makes substantial losses, something which passed virtually without comment until recently. The shop floor workers do not understand why that should be, and neither do I.

I was present when the Chancellor of the Duchy of Lancaster assured Richards last July that he would not allow British Shipbuilders' yards to carry on putting in loss-making bids, thereby damaging the private sector at the taxpayer's expense. I have had a letter from a private secretary in 10 Downing street since then to confirm that it is Government policy. The Government attach particular importance to BS only bidding for contracts in competition with United Kingdom private sector yards, provided that it does so on a realistic basis.

I must ask a variant of the question posed by the hon. Member for Dagenham: do the Government want a small-yard, independent shipbuilding sector? The work force at Richards are incredulous sometimes at the speed of response from the "enterprise" Department. I raised with our noble Friend the Secretary of State for Trade and Industry the case of an application for two tank vessels submitted by Richards in March. It will go abroad unless something moves fairly quickly.

The general point remains. When pressed, the official response from the Department is often on the lines that these applications for intervention fund support are being considered in the normal way. That is not, and should not be, good enough. Surely, of all the leviathans of the state, DTI should know that speed is of the essence.

On the operation of the intervention fund, an impression persists sometimes in dialogue with officials of a slightly negative approach to using the assistance available in the manner for which it is intended. Shipowners will not wait while shipyards and the Department, and the Commission in Europe, argue the toss about applications in a protracted way. Both sides need, not a long-awaited grace and favour decision but the offer of a firm amount, so that shipowners could decide their financial liability and shipbuilders quote a firm price. Our partners and competitors in other European countries have a certain amount of flexibility, which we once had. Let us have it back.

Three or four years ago, these decisions were speedy; let us have that back, too, with the confidence in the IF system that the industry needs. I do not think that I can vouch for it at the moment. We have heard of orders tonight, such as for Danish ferries. Another was required by the Government of Mauritius. There was also the Ministry of Defence range mooring vessel order, which Richards finally won. All show in different ways that something is wrong with the present system.

To defend my hon. Friends, I am aware that this is not entirely in their hands. We are dealing with an army of bureaucrats who have failed to solve the problem, many of them in Brussels and Strasbourg. We are dealing also with almost kamikaze survival tactics from Japan, Brazil and South Korea. It is a global problem. There is a dearth of new building orders. But, as the Opposition admit, there is a glimmer of hope and a definite increase in optimism about demand prospects.

To be equally fair, some of the problems are inter-departmental. There is one skipper who would order at least two new trawlers to be built at Richards in Lowestoft but for problems with intervention and fishing licences. Interdepartmental, international or intercontinental—the noise made by the Opposition at any suggestion of subsidies being removed from British Shipbuilders is head-in-the-sand stuff.

The hon. Member for Dagenham is quoted in *Lloyd's List* in April as saying that it is crazy for the United Kingdom to pull out of shipbuilding when the market is picking up and United Kingdom companies are returning to competitiveness. If he is talking about BS, that remark sticks in the throat, but he misses the point—that, with a vibrant private sector, the United Kingdom will not pull out of the world market.

Shipbuilding may no longer be fashionable, but the updated private sector can offer places to graduates, craft apprentices and youth trainees. Surely that contributes to what we are all trying to achieve in respect of traditional attitudes, good behaviour and honest endeavour. The private sector must have an eye on dividends. In Richards's case, the parent company let it retain dividends while rationalising working practices. But where there is profit, there is substantial tax. How much tax has British Shipbuilders paid?

5.51 pm

Mr. Bob Clay (Sunderland, North): The hon. Member for Waveney (Mr. Porter) said that there is a glimmer of hope for an upturn in orders, "as the Opposition admit." We have trumpeted the fact that an upturn is coming and that there are orders to be secured. The difficulty is that the Government do not have the will to sustain the industry, to secure those orders and to continue to do so until the upturn comes. Once again, the Minister's speech was complacent, and I make no apology for saying that. As the right hon. and learned Gentleman acknowledged, the area

which I represent faces—perhaps not overnight but certainly within months—closures and the loss of 3,000 jobs—with perhaps another 6,000 or 7,000 dependent on them—if the Danish ferry contract finishes and other orders are not secured.

I make no apology for being appalled by the Minister's complacency and at the incompetent muddle of his speech. His speech was permeated by the idea that there was great enthusiasm for buying British Shipbuilders' yards. I do not understand why so many people want to buy Appledore, Govan, the Clark Kincaid engine works or Ferguson-Ailsa if there are not orders in Britain or elsewhere. Perhaps people may want to buy those yards for property speculation, which would be disgraceful. The Minister has not yet answered that point, which was made by my hon. Friend the Member for Dagenham (Mr. Gould).

At stake are not just the thousands of jobs at NESL, but the pride of a community which at one time built and launched more than half the world's tonnage of ships, which has suffered tens of thousands of job losses since the Conservative party came to power and which now has its back to the wall, seeing perhaps the end of a tradition going back decades.

For all that unemployment may be falling slightly, it is still 21 per cent. in the area as a whole. Because of tradition, history and many other factors, two thirds of the work force live within a mile of the yards on the river. There are pockets and estates where unemployment is still 30 or 35 per cent. There is no need for us to face this crisis. The Opposition have argued long enough.

Korea and Japan subsidise their yards far more than the Government have been prepared to subsidise ours. Now our Government talk about "no further loss making." It is absurd. I am sure that the Minister has had placed in front of him by his civil servants—if they have any competence—figures showing the age profiles of the merchant fleets around the world. By the end of the 1990s, unless there is substantial new building, there will not be ships. They will have sunk, so old and unseaworthy is much of the merchant ship capacity. It is a question not whether there are orders and when they are coming—there will be an upturn—but whether the ships will be built in this country and whether they will be built in Sunderland—the point that concerns me.

It was an insult to shipbuilding, and to Sunderland in particular, for the Minister to say, "If we cannot sustain shipbuilding, perhaps we should look at something else." As ever, Nissan was mentioned. We all know that we shall need another three Nissans just to replace the job losses if NESL closes. Shipbuilding is a high-tech industry. Does the Minister not understand that? The ships that NESL builds are among the most superb advanced ships in the world.

I have a suggestion for the Minister. Around the country there are great big billboards, paid for by the Department of Trade and Industry, which show the heavy features of Sir John Harvey-Jones, the former chairman of ICI, who advises British business men to get ready for 1992. A few weeks ago, the same Sir John Harvey-Jones was in Sunderland for the radio programme "Down Your Way." He chose to go on one of those Danish super-flex ferries with John Lister, the chairman of the corporation. They had an interesting conversation about the superb technological advance that those ferries represented, how they were doing what had not been done before and what an advance in building they were.

As Sir John Harvey-Jones seems to have great enthusiasm for those ferries and as everyone in the town, the management and the work force stand by the standards of those ferries and refute any accusation of bad workmanship in Sunderland, instead of taking a stand-off attitude of "wait and see", why does the Minister not ask Sir John Harvey-Jones with his great commercial and industrial experience, or someone of his ilk, to step in and, on behalf of the Department of Trade and Industry and British Shipbuilders, promote those ferries on which payments have been defaulted?

The Minister should be able to say that we shall build all 24 and that, whether or not the Danes buy them, we shall find other purchasers. It is a disgrace, because the borough of Sunderland, which is hard-pressed with penalties, and threatened with rate capping, has done more to defend those ferries and to find purchasers than the Minister and the Department.

Whatever happens with the Danish ferries, we must recognise that by the end of the year, even if the contract is completed—as we pray it will be—we shall be coming to the cyclical crisis of where the next order will come from. The Minister says that there are no orders. I have a suggestion. Yesterday, for the third time, a report was issued showing that roll-on/roll-off ferries—not the Danish ferries being built in Sunderland but those crossing the Channel and other seaways—are unsafe. The Royal Institution of Naval Architects has recommended that work be done on those ferries to make them seaworthy and safe. It is a disgrace that that has not been done already. That work could be done in British ship repair yards with Government grants, if necessary. That essential work, on which the Government should insist, would provide a good breathing space before more orders are placed.

I am appalled that the Minister was so complacent about Cuba. I had never seen such a gap in beliefs. British Shipbuilders believes that it is dealing with a real prospect. If the Minister does not believe that, he should call BS in and accuse it of wasting public money. People have been going to Cuba, no longer at the initiative of British Shipbuilders but at the request of the Cubans who want to buy ships, and technical discussions have taken place. The Minister says that there has been talk of these orders for long enough. I cannot believe that he does not know that these orders are the hottest prospect of substantial orders for British Shipbuilders for a long time. The Department should be saying to British Shipbuilders, "What kind of financial arrangements shall we need to clinch the order? What kind of loans, period of grace, interest rates and package shall we need? Let's get on with that so that there is work in the yards and orders are signed."

Having denied that there are orders to be won and having dismissed the Cuban order, the Minister then says, "If there is an order, we shall have to consider it carefully. We are not sure whether we can carry on putting in money." I hope that he will at least have the decency to acknowledge that, if British Shipbuilders managed to clinch that substantial order, it would save NESL for a long time to come. We should not then have the final sabotage of the Department refusing to put together the necessary cover and financial package. That would really give the lie to everything else that he has said.

The Minister should face another fact. With all the talk about private yards, one would think that it was a great success story for the private sector and failure for the public sector. Let us consider some of the losses to which

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the Minister frequently refers in respect of British Shipbuilders. The assets of the privatised yards were virtually written off, and that shows up as part of the allegedly huge losses that British Shipbuilders has made.

Let me bring matters a little closer to home. The ITM Challenger, whose owner defaulted and went bankrupt, was ordered by the private sector. There are two sides to the private sector—the builders and the people who buy the ships. The £47 million for the ITM Challenger showed up as part of the loss put down to Sunderland. That was due to the failure not of public enterprise, but of the entrepreneurial system about which the Government are so enthusiastic.

The Danish ferries are not being ordered by the British Government, by British Shipbuilders or, indeed, by anyone in the public sector. Those ferries, whose owners now appear unable to pay for them and are attacking the standards of British Shipbuilders to cover up for that, were ordered by private entrepreneurs. I should have thought that when such a scheme fails, and that failure jeopardises thousands of jobs and threatens to end a community's history of shipbuilding, the Government, who are so enthusiastic about such schemes, would step in and do something to save the situation.

I conclude by quoting some of the Prime Minister's remarks when she named the Stena Seawell in my constituency on 25 April 1986. She said:

"This is a very proud day for Sunderland shipbuilders and for Britain and I am proud to be a part of it. You, Mr. Olsen, and your people designed the most modern ship with the latest technology that could be built anywhere in the world and you chose this shipyard and you chose this management and you chose this work force to to it and they've done it, and they've done it superbly. It has been a tremendous boost for us that we can achieve this in our country. It teaches us that we can do the latest technology and that we can do it well. We have the skills, the enterprise, the inspiration to do it. Thank you. Congratulations. I hope we'll be able to do a repeat performance by virtue of the tremendous advertisement we can blazon across the world with what we've done on this ship the Stena Seawell."

For the people of Sunderland, the next few weeks will determine whether that was flag-waving, empty rhetoric and hypocrisy or whether the Prime Minister is now prepared to put her money where her mouth is.

6.4 pm

Miss Emma Nicholson (Torridge and Devon, West): I am immensely grateful for the chance to speak briefly in the debate, because I am concerned about the future of Appledore Ferguson which has been discussed in detail today. Like the hon. Member for Wallsend (Mr. Garrett), I made my maiden speech on shipbuilding because of my concern about the matter, although I do not have as many years' experience of such matters as the hon. Gentleman. Nevertheless, I share his concern for the individual yards.

There have been grand speeches today about the future of British shipbuilding. We are talking about individual yards and jobs. I am concerned because Appledore Ferguson is a large employer in my constituency. There are 530 jobs in that yard and my task is to protect them because the yard puts £10 million into the Torridgeside economy. That may not sound a great deal to some hon. Members, but the Torridgeside area has historically been short of work and incomes have been low in comparison with other areas. Every shipyard job creates in the area at least five other jobs, which must also be protected and expanded.

It is not a single-industry economy in my area, but a mixed economy with many other factors depending on the large employers. The many people who come to see the shipyard and do business there attract other work to the area. They may add to our burgeoning tourist industry and they also visit our farms. The hon. Member for Wallsend mentioned the problem of support for farms and price support for farmers, but I am happy to tell him that, in the recent agriculture debate, Opposition Members committed themselves to supporting farming and to price support in that respect.

We have to eat, and we must grow as much food of our own as it is economically possible to do. I would be deeply concerned if, as an island, we ever stopped making ships, but it is a question of balance, as in so many other areas of political life. How much money do we want to pump into shipbuilding and farming, and how much should go into other sectors, such as social benefits? It must be a right and proper principle for private funding to be attracted by the Government and to come into the shipbuilding industry in every way possible, so as to release funds for other socially important matters.

I was therefore delighted to hear the Minister say that the Government were committed to sustaining economic activity in shipyard areas. I welcome that crucial commitment, but, following his statement of a few weeks ago, the workers at Appledore Ferguson are intensely worried about their future. Theirs is a right and proper concern, because job uncertainty has implications for families and the future. Above all, I seek from the Minister an understanding about and guarantees for the future of jobs in the yard. I know that it is difficult to ask him to look into a crystal ball, but, as the future of the yard's employees was undefined when he made his last statement, perhaps he can tell us a little more today.

I am pleased that a large lobby has come from the yard to the House today. I have paid two visits to the yard since I have lived in the area and I have another visit planned at the invitation of the convener, Dick Mathews, and his colleagues. I have been a little late in accepting it, but I am looking forward to making the visit shortly.

The Minister will recall that I have raised with him my concerns about Appledore several times, both in debate and privately. My concerns today can be stated very briefly, but they are none the less strong concerns. First, and most important, we should retain Appledore Ferguson as a shipbuilding unit. If we consider the examples of other former shipyards, we see that part of Falmouth has become a marina under Vosper Shiprepairers Ltd. Lowestoft is halfway to being a marina under Brooke Marine and Robb Caledon Shipbuilders at Dundee has gone into luxury flats. Much nearer home, Richmond yard, Appledore, cannot be used any more for shipbuilding and has gone to become luxury flats, and Bideford shipyard is now overrun by houses.

I can accept that those may be right and proper uses for those unneeded yards, although I would have preferred Richmond and Bideford to go a different way but, as the Minister well knows, Appledore is needed in the shipbuilding world and must not go that way. It is crucial that I obtain the Minister's commitment that the Government will do their best in that respect.

In the event of a sale, it is important that every effort should be made to keep the men and management fully in the picture, because so much shipyard knowledge is contained within the yard. It has perhaps the best union-management relationship in the business, and it is important that the track record on involving the work force in policy formation should be retained during this exceptionally difficult period. I accept that commercial constraints make that sort of commitment nigh impossible to give, but I put it on the record so that it can be carefully considered as buyers come out of the shadows and become potential bids. Appledore shipyard has a unique track record on union-management relationships.

It would be difficult even for a yard with the pre-eminence of Appledore Ferguson to survive on the open market without any support. Hard work cannot win against unfair competition, and by that I mean some of the competition from the far east which is so heavily subsidised. Appledore excels in making small dredgers, but it could make any sort of ship up to 10,000 tonnes. Support of about 20 per cent. or 28 per cent.—the figure is perhaps higher than the one given by the hon. Member for Argyll and Bute (Mrs. Michie)—is necessary, even for making dredgers. I cannot help thinking that those interested in the yard will also be interested in a continuing commitment to some form of support by the Government or European Community.

Appledore has a bright future and I ask the Government to help, not hinder, the yard's development.

6.12 pm

Mr. Bruce Millan (Glasgow, Govan): I agree with a good deal of what the hon. Member for Torridge and Devon, West (Miss Nicholson) said. Unfortunately, she is one of the few Conservative Members who takes a keen interest in the shipbuilding industry. It is a pity that more Conservative Members do not take that interest in this extremely important industry.

I do not know whether the Minister thought that anything he said would reassure those involved in the industry who are extremely worried about the future, but I can tell him that nothing he said will provide reassurance. He told us little that we did not already know and the one or two pieces of information were rather detrimental to the interests of the industry and will certainly cause more rather than less anxiety.

The Minister did not answer some basic questions, one of which relates to the takeover of my yard at Govan by Kvaerner Industries, and the continuation of the subsidies under the sixth directive. That is a five-year commitment, started on 1 January 1987. It has been renewed at the present level of a maximum of 28 per cent. for 1988, as it was for 1987, but, as far as I am aware, there is no commitment for the Government that there will be that level of subsidy or any other beyond 1988. There have been all these stories in the press, some of which have undoubtedly been leaked from the Department——

Mr. Kenneth Clarke *rose*——

Mr. Millan: With respect, if the Minister had wanted to give that assurance, he should have done so at the beginning of the debate. He spoke for a long time and told us very little, and a Minister will reply, so I have no intention of giving way to him now.

What will happen in the next three years? The Secretary of State for Scotland can give an assurance when he replies, if there is one to be given. The Minister said absolutely nothing about the level of subsidy beyond 1988. The hon. Lady has just made a similar plea, that we want to know what will happen about EEC subsidies over this five-year period and, indeed, over a longer period.

The idea that the Government have had a genuine commitment to shipbuilding over the past eight years does not bear serious examination. They have looked on British Shipbuilders as an embarrassment. They have already dismembered it by selling the naval yards and now they are hellbent on selling the rest. I do not accept that they have had any commitment to or faith in the future of British shipbuilding, certainly not on the merchant side.

Govan is an excellent yard and the facilities there are first class, as has been acknowledged by Ministers. The management is good and there is excellent co-operation with the work force. I acknowledge immediately that there has been a problem with orders in the past three or four years. Anyone who knows the yard and is worried about its future is anxious to see that it gets new work when the Chinese orders, which it is building now, run out in 1989.

Nevertheless, the announcement about Kvaerner, or rather the leak in *The Daily Telegraph*, of all papers, about the Kvaerner interest in purchasing Govan, has caused considerable upset and anxiety, particularly as shop stewards were specifically assured only two days previously that rumours about a Norwegian buyer were absolutely groundless. Therefore, there is some anxiety to overcome for that reason alone.

Today we have been told nothing about the progress of negotiations. The Minister keeps saying that the negotiations are with British Shipbuilders, but his Department is involved. I do not complain about that—it is absolutely right that it is involved—but an official from his Department is to be present at the meetings which he mentioned were to take place next week in Norway, so the Government have a direct interest and we are entitled to more information than we have had so far about exactly what is going on. In a foolish statement on television a couple of weeks ago, the Minister said that there was no question of the Government laying down conditions in these negotiations. In other words, the Norwegians or anybody else can take over the yard, regardless of circumstances. They can take it off our hands, as it were. Conditions must be laid down if the yard is to be sold or, as it seems, given away.

The Govan yard, like all other merchant shipbuilding yards, has had all its assets written down to nil, apart from land, in the 1986-87 accounts. Incidentally, that is a reason for the huge figures of subsidy which the Minister quoted. If the Government give away the yard at a bargain price, which is almost inevitable given their attitude, there should be understandings, and as far as possible legal conditions should be laid down, about its future.

Two gas-carrying ships are to come to the yard and that is extremely welcome. That work will be invaluable. But what happens after that? There is no definite commitment, although there are hopes, aspirations and vague promises. We do not know what the Norwegians intend to do about building other types of ships at the yard. We do not know whether they intend in due course—I hope that they do if the negotiations succeed—to put LNG carriers as well as LPG carriers into the yard. We learned very little by way of detail from the Minister today about the transfer of gas

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technology. There is also the question of more investment in the yard, widening the berths and so on. All those are crucial issues for the long-term future of the yard. Answers to those queries will be very important and will show whether the Norwegian company considers the yard to be a long-term commitment.

We know that there is another side to the picture. Apart from any investment, there is talk about a significant number of redundancies. The Minister did not even mention that this afternoon. We know that if the Norwegian company becomes the owner of the yard, it intends to operate with a core work force of about 450 men and women less than the present work force. There have been no discussions or negotiations with the trade unions. One of the directors of Kvaerner visited the yard and had informal conversations with the shop steward. However, I checked yesterday and there have been no official discussions with the trade unions on the future labour force, conditions and working practices in the yard. It is absolutely essential from the Minister's and Kvaerner's point of view that the discussions take place. Unless there is a proper understanding on those matters, the yard cannot possibly be successful.

There is a long way to go yet. The workers in the yard will be extremely disappointed by the Minister's comments this afternoon. They have made it clear that although, like me, they oppose privatisation, and would like the yard to remain with British Shipbuilders, if the Government are determined to dispose of it, they will make the best of things and co-operate with the new owners.

I met Mr. Gronner a senior director from Kvaerner at an informal meeting a few days ago. I recognise that Kvaerner is a reputable shipping company with wide interests in engineering and shipping as well as shipbuilding. If the negotiations succeed, I believe that the company intends to try to make a real go of the yard. Kvaerner has more faith in the future of shipping and shipbuilding than the Government. That is one of the problems that we must deal with. If the Government had the same faith as Kvaerner about an upturn in the shipping and shipbuilding industry, the yard could successfully remain under the present ownership.

The Government have said that we should be flattered —I believe that Ministers used the word "flattered"—that someone is willing to purchase the Govan yard. What an absolute recognition of defeat. The Government are saying that we should be pleased that someone is going to take the yard off their hands and make a go of it. Why can we not make a go of it ourselves? That question was asked when the news was leaked and we are still asking it, because it has not been answered satisfactorily.

We could have attracted the orders for the gas-carrying ships into Govan without disposing of the yard. I do not believe what the Minister said this afternoon about Kvaerner wanting to build those ships in that yard. We could have attracted the orders—or similar orders—into the Govan yard without disposing of the yard. As an alternative, we could have had a joint venture arrangement between British Shipbuilders and Kvaerner. However, the Government have dismissed those possibilities. We are left with the alternative of purchase, which may hold out some hopes for the future of Govan in the short term. However, I am concerned about the longer-term interest.

It would be absolutely tragic for Govan if a deal was struck with Kvaerner or anyone else which was good for the short term, but led in the long term to the ultimate demise of the yard. I am interested in the yard's long-term prospects; that is why I want to see the firmest commitment from the Kvaerner management in the process of negotiations. After all, we are selling to a foreign firm. We know how difficult it is to have decisions reversed if a closure happens in a factory or establishment under British ownership. The difficulties will be all the greater if we are dealing with a foreign firm.

I am not claiming that Kvaerner does not have good intentions for Govan: I believe that its intentions are good. I hope that those intentions are fulfilled. We can be more certain that they will be fulfilled if we lay down conditions now. Unfortunately, from what the Minister has said today and from his general attitude on this matter, it seems that the Government will not bother to try to lay down those conditions.

6.24 pm

Mr. Neville Trotter (Tynemouth): The hon. Member for Wallsend (Mr. Garrett) and my hon. Friend the Member for Wirral, South (Mr. Porter) have rightly drawn attention to the successful state of affairs in our naval yards. I am sure that more export orders will arrive in the near future. The potential for the Canadian nuclear submarine order is gigantic and we must all hope that Vickers is successful in receiving that order.

My hon. Friend the Member for Wirral, South did not mention the submarine work carried out by Cammell Laird. It is fortunate to be one of the few specialist submarine builders in this country, and it has assured work through its initiative with Vickers. If we had more time tonight, I should have wanted to consider the refit work of the Royal Navy which is vital to the future of the repair yards on the Tyne. No doubt we will be able to return to that subject in future.

The main subject for debate tonight is clearly the future of merchant shipbuilding in this country. I believe that the House regards it as inconceivable that our island should not have some Merchant Navy shipbuilding capability. It is not simply a matter of our long island history; it is a question of looking to our future strategic needs. I remain convinced that we will continue to build merchant ships in future, although obviously on a far smaller scale than we would all have liked.

I remind the House that for a long time I have advised the marine equipment industry. I want to draw the attention of the House to the widespread nature of employment in the equipment industry. Many of the factories producing parts for ships are nationally and historically situated near ports and dockyards. However, many of the firms are in the midlands, miles from the sea. It is essential to remember that while the industry has done very well in exporting parts to foreign shipyards, it requires a healthy home base if it is to continue to do that in future.

The Ultimate Dream was referred to briefly. I appreciate that my right hon. and learned Friend the Chancellor of the Duchy of Lancaster was right to say that that gigantic project for a 160,000-tonne cruise liner, which will be twice the size of the QE2, is basically a subject for the Northern Ireland Office, as the discussions involve Harland and Wolff. More than half the cost of the ship

would go in parts that would be constructed mostly on the mainland of Great Britain. No doubt many of those parts would be built on Tyneside and, I hope, Wearside.

I want to consider the sombre scene facing the merchant shipping yards. The present position has not come about suddenly. It is not a sudden development, apart from the crisis at Sunderland Shipbuilders. We have debated the shipbuilding scene for many years against a background of lack of orders and ridiculously low-cost competition from the far east.

My right hon. and learned Friend the Chancellor of the Duchy of Lancaster reminded us of the significant amount of aid given to the industry by the Government since 1979. I believe that talking about billions of pounds is almost meaningless to the man in the street. However, if we divide the commitment provided by the Government in terms of financial aid, it works out at £1 million for every working day since the Government came to office in 1979. I congratulate the Government on having provided that support for the industry and on having recognised its importance to the country.

I also want to draw the attention of the House to the enormous efforts made by British Shipbuilders management to modernise the yards and revolutionise working practices. In the past two years £2 million has been spent on research and development and £3 million on product development. Many new designs have been offered to the Sunderland yard and the other yards and an enormous effort has been made worldwide to find orders. That has not produced the number of orders that we would have wished, but it is not for lack of trying. It is the result of the gross over-capacity worldwide. In particular, it is the result of the development of the industry in South Korea. That country now has an order book bigger than that of Japan, and the small country of Korea now builds more ships than Europe.

At present, there are 75 tankers on Korea's order book. No tanker is building in Britain and I doubt whether one is building in Europe. We, like the other European countries, are left running around the world desperately trying to obtain orders for one or two ships at a time.

Korea decides the world prices. My inquiries there suggest that, allowing for the long hours of work, its wage rates are about one quarter of those that Britain pays. Industry leaders from Britain who were in Korea a few months ago suggest that the labour costs overall, allowing for the lack of national insurance contributions, and so on, are about 20 per cent. of European labour costs. It is not surprising that it has been difficult for European countries to compete against such figures.

A recent EEC study shows that the cost of building a tanker in Europe is $43 million. In Korea, an equivalent ship sells for $24 million. The cost of building a bulk carrier in Europe is $21 million, and such a ship in the far east would be sold for $12 million. I could go on with other examples. It is against such competition that we have a serious lack of orders.

The situation at Sunderland is not the fault of British Shipbuilders, and it is certainly not the Government's fault. However, there is a genuine and great worry in that area about the shipyard's future. It is hard to see what assurances the Government can give in present circumstances. The Government seem to be doing all that they can to sort out the sorry situation that has developed over the Danish order, but I am sure that my right hon. and learned Friend the Chancellor can understand the need for a message of hope to come out of tonight's debate.

It is extremely hard to see how the Danes can be justified. The yard is capable and experienced, with a well-respected managing director and a skilled work force. The reasons for the trouble are very much those suggested by the hon. Member for Sunderland, North (Mr. Clay) in his comments about the customer. It is interesting to reflect that the ECGD has not branded the customer as being at fault, and I find that rather surprising.

The ships for Cuba might produce salvation in the short term. We are looking at the long-term future for the industry in the rest of the country, but we must face the fact that in Sunderland we are talking about the short-term solution and salvation. We must all hope that something will come from the strenuous marketing efforts being made over those Cuban ships.

The intervention fund, which matches the aid given by our Western competitors in Europe, must continue. I believe that the Government accept that, and it should be spelt out. There will be an opportunity to do that as the discussions on the Cuban order proceed.

We are talking about an industry that has an important future for Britain, and hon. Members should do all that they can to ensure that future.

6.33 pm

Mr. Ken Maginnis (Fermanagh and South Tyrone): There is one simple and direct question about shipbuilding that the Government must ask themselves and to which they must provide an unequivocal answer. Are we in the United Kingdom to retain a merchant shipbuilding capability, or do we intend for all time to surrender our traditional and proven skills in that area to foreign yards?

In recent times merchant shipbuilding has suffered cruelly at the hands of those who look for sensational negatives. Both inside and outside Government there are those whose purpose in life appears to be to demoralise and dismantle the industry.

I am disappointed by the apparent lack of understanding of the commercial realities—the need for intervention funding for our merchant shipbuilders. It evokes much ill-informed comment, and that must be a matter for regret. It should be fairly acknowledged that privatisation, even if one is convinced of the attractions for the management of the companies concerned, is not in itself an automatic panacea. It does not alter the international pricing level for ships which makes intervention funding a necessity—a commercial reality of life for all EC countries. The United Kingdom cannot isolate itself from that reality if it is to maintain a core of merchant shipbuilding capability in line with the majority of European nations.

Kvaerner, on entering talks on the sale of Govan, made it clear that it will go forward with a deal only on the understanding that there will be access to intervention funding. That is not surprising, because it is the agreed and accepted way in which other European shipbuilding nations operate to match far east competition.

I listened to the Minister on the radio this morning when he spoke of shipbuilding in terms of what is happening at North East Shipbuilders Ltd. I agree that it is a matter of regret that the company is in difficulty with

[Mr. Ken Maginnis]

clients over the future of a valuable ferry order. It is to be sincerely hoped that that can be completed as originally ordered.

However, in the present situation it cannot be surprising that North East Shipbuilders Ltd. does not have customers tied up and willing to place an order. Without a customer, the whole question of intervention funding becomes irrelevant. But surely, in current market conditions, the Government's policy on shipbuilding and intervention funding in the United Kingdom cannot be based on that one yard. Is it the Government's wish to allow a situation where such is the doubt created in the minds of those who would order ships that they automatically look away from British yards to those on the continent or in the far east?

That is not how it has to be. Everything points to an upturn in overall market conditions within the next two to three years. Whereas in 1983 there was a laid-up 90 million tonnes, or 15 per cent. of the world fleet, that figure has dropped dramatically to around only 3 per cent. today. That usage, combined with the comparative obsolescence of a large part of the world's fleet, shows that much new build must occur in the early 1990s.

I have seen the Harland and Wolff yard in my region come through a traumatic six-year period during which it has cut its work force by over 60 per cent. It has just completed negotiations which will produce a degree of flexibility within the remaining work force which is unparalleled in the United Kingdom and will match the best in Europe, and it has adapted itself to the market demand for high-tech ships. That, and the massive dry dock and other capital resources that Harland and Wolff possesses, puts it in a position to compete on virtually equal terms with European opposition.

Nor did the cost of that rationalisation come anywhere near the £20,000 per job that I heard the Minister quote on radio this morning and in the House this afternoon. With the exception of the last year, when there was a one-off situation, the average annual cost per job has been about one third of that figure.

I was surprised to hear the Minister refer to extra costs as loss costs. They are the costs of restructuring—restructuring to enable shipbuilding to move forward to the 1990s. We could not produce new jobs which would impact throughout the United Kingdom, as shipbuilding does, for anything like that cost.

What a pitiful surrender it would be if, with brighter prospects ahead, the Government were now to implement a stringent unilateral policy on intervention funding, completely out of line with our EEC partners. It would sound the death-knell for our merchant shipbuilding industry.

At Harland and Wolff one finds a different situation from that at North East Shipbuilders Ltd. Harland and Wolff has customers who are willing to place orders which would bring the United Kingdom back to the very forefront of the cruise liner market. Yet every sort of innuendo, damaging criticism and abuse is levelled not only at Harland an Wolff, but at their biggest potential customer.

Are we really trying to create a situation where we hand over to a foreign yard the work and prestige connected with that project, and probably further similar orders? Further, is every shipowner, particularly shipowners with proven track records, to be treated as fair game for totally unjustified criticism when expressing a desire to have a vessel built in Northern Ireland? That is hardly the way for the United Kingdom to go about winning major export contracts.

Some sections of the press appear to have got it wrong, too. It was not a proven industrialist, such as John Parker, who brought De Lorean to Ulster; it was the Government of the day. Leaders of industry and respected customers should not have to live for ever under that cloud. Must that spectre be permitted to crush all potential for initiative and creativity in the Province?

I am concerned that, just as we have lost virtually all our merchant fleet since 1982, so we may be losing our potential to rebuild it, if and when the opportunity or need arises. One must also consider the domino effect that any further contraction of the shipbuilding industry will have —not only in areas of shipbuilding but throughout the country. The vital knock-on effect of a large proportion of any shipbuilding contract being sub-contracted throughout Northern Ireland and the rest of the United Kingdom has already been described. Letters have been sent to my hon. Friends the Members for Upper Bann (Mr. McCusker) and for Antrim, East (Mr. Beggs) from Ulster Carpets and from CMR Electronics, which wish the Ultimate Dream contract to go ahead because it will create work for those companies. The Minister really should have understood that if Harland and Wolff is to arrive at a contract price, inquiries must go out to the companies that will be involved in sub-contracting.

Is there not every justification for the United Kingdom to retain a core merchant shipbuilding industry so that it may at least compete on equal terms with other European yards? Both the Minister and the House know the answer to that question. I hope that sensible decisions will be taken which will give back hope and confidence to both our merchant shipbuilding industry and its potential customers.

6.42 pm

Mr. Donald Dewar (Glasgow, Garscadden): The Chancellor of the Duchy opened with the implicit criticism of our action in originating this debate. The suggestion was that it came too early. It was necessary to have this debate now because of the anxiety which exists over the uncertainty and problems facing the shipbuilding industry. That uncertainty will undoubtedly affect morale and confidence, and it is right that we should push the Government for an up-to-date report. If the House is not entitled to such a report, certainly those whose livelihoods depend on the industry are entitled to know what progress has been made. My one regret is that the House has learned disappointingly little as a result of this exercise. However, that does not invalidate our attempt, and certainly we shall be returning to press the Minister again and again.

Much depends on the Government's attitudes. Because it is not the main subject of the debate, I shall make only a passing reference to the major frigate shipbuilding company of Yarrow, which is located on my constituency boundary. The Chancellor of the Duchy made only a very casual reference to the type 23 orders, and could not say what they would total or when they would be forthcoming. I recognise that it may be difficult for the Minister to give

that information, but it is essential that Yarrow receives an early order for four type 23s. As the right hon. and learned Gentleman knows, it has been promised only a variation of between one and four orders. All the yards are gasping for those orders. In the case of Yarrow, there have already been some redundancies, and if no orders are received there will be substantial job losses by the end of the year. Those orders are as important to Swan Hunter, Vickers and Vosper as they are to Yarrow. That is one area of the shipbuilding industry where immediate salvation lies entirely within the confines of the Government's ordering policy and is in the hands of Ministers.

It is interesting that the Minister feels that the talks concerning Govan are progressing well. He was being optimistic when he said that the work force there welcomed what was happening. That is not a very accurate description of the situation. There may be recognition that, sadly, the sale of Govan may be the only way forward. If that is so, everyone in the yard, in Glasgow, and in the shipbuilding industry generally will want to make a success of that development. However, it would be wrong if Ministers—as has occasionally been the case in similar circumstances previously—presented that situation as some kind of triumph and a major advance. It is a retreat for the British shipbuilding industry, now that a very important yard will be flying a foreign flag.

I have considerable sympathy with the point made by my right hon. Friend the Member for Glasgow, Govan (Mr. Millan), who questioned whether it was necessary for the yard to go with the orders. The Minister said that it was a fine prospect that Kvaerner was setting up its gas technology industry on the Clyde. I am not clear what that means, beyond the two orders which have been pledged to the yard. If there is a wider prospect, and if there will be a larger spread of jobs, perhaps the Secretary of State for Scotland, who must be following these matters closely, will say a word or two about them. He will appreciate that the phrase "some restructuring", which has taken on a somewhat sinister air, is one in which we are all entitled to take an interest.

I underline the point about early consultation with the work force and with the shop stewards. Whether or not rumours about 450 job losses are correct, it is important that we look for long-term guarantees and that the Government involve themselves not just in providing two orders in the short term but also in creating the kind of base which will allow the yard to continue flourishing.

The House was told that there was a wealth of inquiries for some smaller yards. I was glad at least that there was mention of Clark Kincaid and of Ferguson. My hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman), who has sat patiently throughout this debate but who has not managed to catch Mr. Speaker's eye, has pressed the Minister in the past on that subject. It seemed as though Ferguson was far from the Minister's mind on that occasion. I hope that the right solution will be found for that yard and for Appledore, whose future was eloquently defended by the hon. Member for Torridge and Devon, West (Miss Nicholson). We shall be looking for further details of the Government's plans at an early stage.

NESL faces a difficult and tragic situation. It is depressing to see the way in which Ministers approach it. I was angry at the way we were accused of scaremongering and of presenting a gloomy scenario that could not be justified. However, almost everything said by the Minister could be described in exactly those terms.

Mr. Chris Mullin (Sunderland, South): Does my hon. Friend agree that it is extremely difficult for the management and the work force of NESL to secure orders against the background of the black propaganda emanating from the Department of Trade and Industry, seen most noticeably in *The Guardian's* front page leader on 4 March?

Mr. Dewar: It was certainly rich of the Government to accuse us of being defeatist about the industry's prospects when the Minister could only tell the House that he was unable to intervene in any way and could only stand by and hope that everything would be all right with the Danish contract. He acknowledged that it might be a great blow for the local economy, and the nearest thing to good news he could manage was that if a shutdown was necessary, it would not be made overnight—that there was no imminent threat of all work coming to an end: no imminent threat, but presumably a medium-term threat.

The Minister went on—I thought, suggestively—to speak of other prospects in the area, such as Nissan, and about the general level of unemployment. I do not know what is the Minister's idea of defeatism, but such remarks will not put a spring into the step of anyone working for NESL or living in Sunderland. I hope that he will take a more positive approach and will recognise that he has a duty to that yard, as he has to the other sectors of the British shipbuilding industry which have been in public ownership.

The Government resent the suggestion that they lack commitment, but there were real signs of that in what the Chancellor of the Duchy had to say. We distrust ministerial motives and believe that there is a real danger, as anyone who studies the Government's track record will understand, that the Government will privatise and shove the yards out of the public sector and then walk away from the problem without a backward glance. I do not believe that a responsible Government should do that, or that we should in any way encourage them or give them an easy passage if that is what is in their mind.

I believe that the shipbuilding industry has a future. There has been much talk about some recovery in the market, which can be seen in the amount of tonnage laid up, in charter rates and so on. It will be a long haul; it will be a difficult market for a very long time. But there is room for a specialist shipbuilding industry in this country, with all the skills and engineering excellence that it represents.

The Government should recognise that. They should look at the areas where public sector orders may arise and perhaps can be advanced. They should give realistic commitments about the level of support and their willingness to abide by at least the EEC level of 28 per cent. It is important that they put themselves out to help the industry through what is undoubtedly a very difficult period. It is all too convenient to say that part of it could be sold and the rest could be industrial scrap. That means putting on the scrap heap many people with real skill who have given a lifetime of service to that industry, or hoped to do so.

The Minister said, in a phrase that I thought rather quaint, that the industry was at a somewhat difficult crossroads. I thought it quaint because it so understated the evident danger that faces almost every yard and every part of the industry. We are determined that, if the industry is at a crossroads, the Government should at least make the right choices. We will do all that we can to

[Mr. Dewar]

concentrate the Minister's mind on that, because we feel that if he is left to himself there may well be an abdication of responsibility, with tragic consequences.

6.51 pm

The Secretary of State for Scotland (Mr. Malcolm Rifkind): We have had a very serious and constructive debate. It is perhaps significant that a substantial proportion of those who have contributed have a deep and personal constituency interest in the future of shipbuilding. I pay tribute to my hon. Friends the Members for Torridge and Devon, West (Miss Nicholson) and for Waveney (Mr. Porter), to the hon. Member for Sunderland, North (Mr. Clay) and to the right hon. Member for Glasgow, Govan (Mr. Millan), whose passionate speeches clearly showed their concern for their local communities—as have those of other hon. Members who have caught your eye, Mr. Speaker.

The debate takes place at a time when there is a feeling on both sides of the House that we wish to maximise the prospects for shipbuilding in the United Kingdom, but on a basis that is healthy and viable. We are conscious that over the past few years the prospects for shipbuilding throughout western Europe have been very grim. Sweden, for example, has closed its last major merchant shipbuilding yard. The French have run down their yards from five to only one, and the Spanish have reduced their capacity by some 50 per cent. The Germans, the Danes and even the Japanese have been closing yards. This is not a problem peculiar to the United Kingdom, and it is not sufficient simply to have good will or good intent. As my right hon. and learned Friend the Chancellor of the Duchy rightly pointed out, in the absence of orders there is a grim future for any industry.

Over the past 10 years, the Government have made their commitment very clear. The £1,800 million that we have made available has not simply been support through the intervention fund; that has been a relatively small proportion of the total, becuse of the limits that are required. A substantial amount has been used to cover the trading losses of companies that obtained orders. That is one of the saddest facts about the shipbuilding industry; even when orders have been obtained, many companies have sustained massive losses.

The right hon. Member for Govan said that he was concerned that my right hon. and learned Friend had, as he claimed, given no indication of the Government's view about the future of support for the industry. I ask him to read tomorrow what my right hon. and learned Friend said. Perhaps I can remind him. He said that, with regard to support for new orders, we have made it clear to all who have inquired in connection with the present disclosures that we are prepared to discuss support for new orders with them.

Dr. Godman: The Secretary of State knows that I have been present throughout the debate. May I point out that I sincerely hope that, if the Norwegian firm is successful in its bid for Govan, the Government will impress on it the need to order the engines for the liquefied petroleum gas carriers from Clark Kincaid in my constituency? May I also plead for the Secretary of State to keep a tight weather eye out for Ferguson, also in my constituency? Both, as he well knows, are very important to the local economy.

Mr. Rifkind: I entirely agree with the hon. Gentleman. He is right to express concern for both establishments, and it is encouraging that there has been interest in both as a result of the Government's recent announcement.

It is important to remember a number of important considerations about Govan. First, as the right hon. Member for Govan well knows, the Government did not simply go out looking for a purchaser. Kvaerner made the first approach, expressing an interest in acquiring the yard. The Government then responded to that interest.

Secondly, it is not a speculative interest. We are all aware that, occasionally, companies buy yards and then hope to find orders. What is most encouraging and welcome about Kvaerner's interest is that, far from wishing to look for orders, it has orders, and has already said that, if it is successful in acquiring the yard, there are at least two liquefied petroleum gas carriers that it wishes to build in the yard, and further orders for similar vessels are likely. Of particular importance is the firm's suggestion that, apart from the shipbuilding role that it sees for Govan, it wishes the centre of its gas-handling technology to be transferred there. That is not only important from a technological point of view, but could lead to a significant number of jobs in the Glasgow area.

One of the curious things said by the right hon. Member for Govan was his repetition of what has been said in other quarters, concerning his personal belief that Kvaerner could have been persuaded, or could be required, not to acquire the yard but simply to place orders, while British Shipbuilders retained ownership of the yard. The House will have noted that the right hon. Gentleman did not produce an iota of evidence to substantiate that view. He informed the House that he had had recent discussions with senior management of Kvaerner. Presumably he raised this issue with them. If he has reason to believe that the firm is interested in doing as he suggests, it is surprising that he made no such reference in that respect to the House.

I must tell the right hon. Gentleman, and the hon. Member for Glasgow, Garscadden (Mr. Dewar), that the simple fact is that Kvaerner made it clear that its interest is in acquiring the yard, not in placing orders. If it does not acquire the yard, there is no guarantee or even likelihood that orders will necessarily come to Govan. They might go to many other shipyards around the world. The right hon. Gentleman must take that into account, for I know that he is as concerned as the rest of us for the future of employment in the yard. Kvaerner's present interest is the best prospect for the yard that has emerged for some considerable time.

As the right hon. Gentleman knows, once the Chinese ferry orders are complete, there are no other orders on the order book, and the prospects for Govan—whatever the view or policy of Government—could have been very serious. The fact that Kvaerner is not only interested in acquiring the yard but has ships to build there may explain the constructive approach of the unions at Govan.

When Mr. Sammy Gilmore, the shop steward at Govan, was asked whether the unions would be obstructive and seek to oppose Kvaerner's interest, he replied:

"We are shipbuilders, not anarchists . . . The name of the game is employment."

He rightly went on to say that the trade unions would naturally wish to discuss in detail the consequences for the work force, saying with his customary humour:

"There will be no Vikings sailing up the Clyde until after the Glasgow Fair."

That may be a prediction about timing, but it also demonstrates a desire for the negotiations to succeed, which is very welcome.

Mr. Millan: What I was trying to find out from the Ministers—I have not done so yet—was what understandings and undertakings they are attempting to obtain from Kvaerner in the negotiations.

Mr. Rifkind: These are delicate matters of negotiation. Our main interest is that Govan should have not a short-term but a long-term future. Kvaerner is not only talking about two immediate orders for liquefied petroleum gas carriers, but is also suggesting that future orders are likely for the same kind of vessel. Moreover, it would not be suggesting publicly that it wishes to transfer the whole of its gas-handling technology to Govan if its interests were only short-term. There was no need for it to say that. It does not relate directly to the shipbuilding activities at the yard itself. It is a sign of the serious intent of the firm to establish a long-term presence.

With regard to shipbuilding as it involves British Shipbuilders as a whole, there is a common interest on both sides of the House to try to ensure a long-term future for the shipbuilding industry. We believe that, with a return to the private sector and with the interest currently shown by the private sector, that is realisable. It is on that basis that I invite the House to oppose the motion and to approve the amendment.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 187, Noes 261.

Division No. 314] **[7 pm**

AYES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Alton, David
Archer, Rt Hon Peter
Ashley, Rt Hon Jack
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bermingham, Gerald
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Bruce, Malcolm *(Gordon)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Carlile, Alex *(Mont'g)*
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Crowther, Stan
Cryer, Bob
Cummings, John
Cunningham, Dr John
Dalyell, Tam
Davies, Rt Hon Denzil *(Llanelli)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, Jimmy
Dunwoody, Hon Mrs Gwyneth
Eadie, Alexander
Ewing, Mrs Margaret *(Moray)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howells, Geraint
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kirkwood, Archy
Lamond, James
Leighton, Ron
Lestor, Joan *(Eccles)*
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
Maclennan, Robert
McNamara, Kevin
McTaggart, Bob
Madden, Max
Maginnis, Ken
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meale, Alan
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Nellist, Dave
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robinson, Peter *(Belfast E)*
Rogers, Allan
Ruddock, Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Turner, Dennis
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wilson, Brian
Winnick, David
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Ken Eastham.

NOES

Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Banks, Robert *(Harrogate)*
Bennett, Nicholas *(Pembroke)*
Biffen, Rt Hon John
Biggs-Davison, Sir John
Body, Sir Richard
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Mrs Virginia
Bowis, John
Braine, Rt Hon Sir Bernard
Bright, Graham
Brooke, Rt Hon Peter
Burt, Alistair
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Cope, John
Cormack, Patrick
Cran, James

Currie, Mrs Edwina
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Janman, Tim
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Key, Robert
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lennox-Boyd, Hon Mark
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Sir Neil
MacGregor, Rt Hon John
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Marland, Paul
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Morris, M *(N'hampton S)*
Morrison, Hon Sir Charles
Morrison, Hon P. *(Chester)*
Moss, Malcolm
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Patnick, Irvine
Patten, Chris *(Bath)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stradling Thomas, Sir John
Summerson, Hugo
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trippier, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Walters, Dennis
Ward, John
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Watts, John
Wheeler, John
Widdecombe, Ann
Wiggin, Jerry
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wood, Timothy
Woodcock, Mike
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Peter Lloyd and
Mr. David Lightbown.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 30 (Questions on amendments), and agreed to.*

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House recognises the support that Her Majesty's Government has given to the shipbuilding industry; and welcomes the prospect of returning British Shipbuilders' yards to the private sector.

European Community (Finance)

Mr. Speaker: I must announce to the House that I have selected the amendment in the name of the Leader of the Opposition.

7.13 pm

The Paymaster General (Mr. Peter Brooke): I beg to move,

That this House takes note of European Community Documents Nos. 10552/86 and the un-numbered Explanatory Memorandum submitted by the Treasury on 18th March 1987 on the 1987 Community Budget, the un-numbered Explanatory Memorandum submitted by the Treasury on 18th March 1987 on carry-over of appropriations from 1986 to 1987, 6037/87 on the 1987 Budget situation, 6822/87 and 7552/87 on Supplementary and Amending Budget No. 1 for 1987, 6048/87, 7211/87, COM(87)240, COM(87)677 and COM(88)81 on the 1988 Preliminary Draft Budget, 4766/88 on the 1988 Draft Budget, 4051/87 on financial engineering, 5266/88 on Own Resources, 5282/88 on amendments to the Financial Regulation and the un-numbered Explanatory Memorandum submitted by the Treasury on 10th May 1988 on budgetary discipline; and endorses the Government's objectives of securing effective and binding control of Community expenditure.

I am delighted that the House has the opportunity this evening to debate the unfinished business of the Brussels European Council and the 1988 Community budget, ahead of the decisions which the Council of Ministers and the European Parliament are likely to reach over the next month or so.

The motion mentions a number of documents, deposited with the House, which the Scrutiny Committee has recommended for debate. I pay tribute to the Scrutiny Committee for its clear, concise and conscientious reports on these documents. I pay tribute also to the Treasury and Civil Service Committee, which has been monitoring developments in Brussels with all the diligence and understanding that we have come to expect from that Committee.

Mr. Teddy Taylor (Southend, East): As my right hon. Friend said that the Council and the Parliament are likely to agree these matters within a month, will he explain how that is possible under article 199, when this Parliament and other Parliaments have not approved the increase in resources that would match the expenditure under article 199?

Mr. Brooke: If my hon. Friend will be content to know that I was going to deal with those matters at some length, it might be more sensible if I took them in logical order.

The House may find it helpful if I begin by saying a little about the likely timetable of events in Brussels, the Community's financing needs and the procedures for obtaining Parliament's approval for the Community's new own resources decisions and the 1988 intergovernmental agreement, or IGA. The House may like to be reminded that the Heads of Government agreed at the Brussels European Council in February on a new own resources ceiling and system for the Community. They also agreed that it should take effect for the current year by means of an agreement between the member states that they will provide supplementary contributions to the 1988 Community budget in the form of non-reimbursable advances against the newly agreed own resources, pending ratification of the new own resources decision.

To begin then, with the likely timetable, we learned from Strasbourg last night that the European Parliament had reached agreement with the President of the Budget Council on the 1988 Community budget, though it is not yet clear whether the President of the Parliament, Lord Plumb, will declare the budget adopted until final agreement has been reached on the other unfinished business of the Brussels European Council.

The Community has still to reach final agreement on all the other main documents implementing the European Council conclusions, including the new decisions on own resources and budget discipline and the 1988 IGA. Also unfinished are the negotiations with the European Parliament on an inter-institutional agreement about implementation of the Community's expenditure policies over the next five years. There now seems a good chance that all this unfinished business will be resolved over the next three or four weeks, but I cannot, of course promise the House that that timetable will be fulfilled.

If I may turn next to the Community's financing needs and the question of seeking the House's approval for the Community's new financing agreements, I want to say first that the Government will not pay any contribution to the Community under the new own resources decision or the intergovernmental agreement until the House has signified its approval. I have made that point already to the Treasury and Civil Service Committee, and I am glad to repeat it in the House now.

The Commission will, however, have an urgent cash-flow problem over the next few weeks. It has calculated that this will arise in any case as a result of the Community's existing obligations, whether the 1988 budget is formally adopted or not. The cash requirement has nothing to do with adoption of the budget or the IGA, but simply reflects the fact that the level of spending to which the Community is committed, in particular on agriculture, is running faster than the limited revenues which are available, month by month, under the present provisional twelfths regime. Earlier in the year the Commission's cash position was strong and this enabled it to make ends meet. This month, however, it has had to call for an advance payment of traditional own resources under article 10(2) of regulation 2891/77. I shall be providing details of this in a written answer tomorrow.

Mr. Eric Forth (Mid-Worcestershire): The House might be slightly puzzled, as I confess to being, at hearing my right hon. Friend say that there are problems of expenditure outrunning resources. My right hon. Friend will recall that when Fontainebleau was concluded we were told that effective measures had been put in place to control expenditure. If I am not mistaken, we shall probably be told something similar in a few moments. How can my right hon. Friend square the fact that the Parliament and the Community have run out of money and are in crisis with the fact that Fontainebleau was supposed to provide the answers some two or three years ago?

Mr. Brooke: My hon. Friend will be familiar with the answer. In the current year the Community is operating on provisional twelfths. Provisional twelfths quite clearly do not represent the level of resources that would otherwise have been adopted, because no budget has been adopted. That is why the Commission has a cash flow problem.

Mr. Terence L. Higgins (Worthing): Is it quite accurate for my right hon. Friend to say that the Commission has a cash flow problem? Would I be wrong in supposing that if the House does not agree to an IGA or to the increase in own resources, the Commission does not have a cash flow problem; it quite simply does not have the money?

Mr. Brooke: The provisional twelfths amounts come through on a monthly basis. It is a current month problem that the Commission has asked us to address. The nature of a 10(2) overdraft request is simply to ask for own resources to be brought forward and to be paid at a slightly earlier date than they otherwise would be.

Mr. Nigel Spearing (Newham, South): I am grateful to the right hon. Gentleman for giving way at this point, because it helps to bring about a rational debate. He may have said something that he did not intend. He said that the new IGA would not be approved by the Government unless it had been endorsed by the House. That has to happen through a Bill or an Estimate. Can he assure the House that the Government would not assent to that in the initial stages, before it was endorsed by the House, unless and until there had been agreement in the institutions of the EEC to the British rebate formula and the disciplinary documents? Surely the former depends upon the acceptance of the latter.

Mr. Brooke: The hon. Gentleman is perfectly correct in identifying that as a subject that came up when I gave evidence to the Treasury and Civil Sevice Select Committee last week. If the hon. Gentleman will bear with me I shall come to the issue and deal with it within the logical framework of my speech.

Next month the Commission expects to have to call for overdraft facilities under article 12(2) of the same regulation, although on a much smaller scale than would be implied by a six-monthly slice of IGA contribution.

When the 1988 budget is finally adopted, the Commission will need further funding without too much delay to enable it to fulfil its responsibility to implement the budget. It has suggested that it is likely to call up contributions from member states in the form of IGA contributions or of overdraft advances under article 12(2) of the regulation to which I have referred, depending on what has been agreed in the Council and what is possible for the member state concerned. Initially, these requests for the funds will be needed to cover cash flow requirements which would have arisen in any case. The IGA cannot be finally crystallised until we have agreement on all the relevant provisions of the Community's new own resources decision, including the United Kingdom abatement provisions.

Member states are obliged to comply with overdraft requests by the Commission under article 12(2) of the regulation, provided that these are genuinely needed to cover a prospective cash deficit, and provided that they would not involve exceeding the own resources known to be available for the year. The Government stand ready, therefore, to meet such overdraft requests, before or after adoption of the budget, and before or after final agreement on the IGA, provided that these conditions are fulfilled. We would charge such overdrafts directly against the Consolidated Fund, like all other Community obligations, while keeping the House fully informed. The Government would not, however, intend to meet demands for overdraft contributions, to the extent that these were in effect requests for IGA contributions, without first seeking the House's approval for the necessary supplementary financing.

As we cannot be sure when the supplementary financing will first be needed, we may well find that we have to seek Parliament's approval on a somewhat accelerated timetable, though the overdraft facility will continue to be available in the way that I have described. If that happens, I am sure that the House will understand the reasons why.

As to the means by which Parliament's approval will be sought, there are in principle two main options. One will be to seek approval my means of a composite Bill, covering both the new own resources decision and the IGA. This would follow the precedent of the European Communities (Finance) Act 1985. The Bill would be introduced as soon as possible after the IGA and the new own resources decision have been formally agreed and the 1988 budget adopted. The initial instalment or instalments of the IGA would be financed as necessary from the Contingencies Fund if and when Parliament has given the Bill a Second Reading.

The other option would be to decouple the own resources decision and the IGA. On this approach we would seek approval for the own resources decision through a Bill while separately presenting a special Estimate and Consolidated Fund Bill to cover our IGA contributions. The procedure for approval of the 1984 IGA would provide a precedent for that.

I imagine that most hon. Members would feel, as I do, that the composite Bill approach would be preferable to the decoupled approach.—[HON. MEMBERS: "No."] I shall stick by the observation I have made. If hon. Members wish to disagree during the debate, I shall look forward to replying later.

Mr. Spearing: This is a Committee-style exchange because Committee-style detail is required. Surely the right hon. Gentleman appreciates that the IGA is outside the treaties and is an agreement between Governments not within the treaty of Rome. The draft decision, which has also to be ratified by the House and which has not yet been completed in Brussels, will have to be ratified to cover the new financial structure for the next five years. Surely it would be quite wrong to put the two together—one intra-treaty and one extra-treaty—in the same piece of legislation.

Mr. Brooke: I have offended the purist instincts of the House in suggesting that they should be taken together. I did not hold the office for which I am currently responsible during 1984 and 1985. My understanding of the affairs of that time was that Parliament in general, and the Treasury and Civil Service Select Committee in particular, had shown a preference for the linked approach and the composite Bill. It is the case—I am now referring to Parliament's convenience—that one would be taking through the entire complicated matter in a single tranche rather than as separate measures. No doubt other hon. Members who registered a negative a moment ago will want to enlarge on that when they speak.

The final choice will have to depend on the timing of agreement in Brussels on the various elements in the total package. If the final agreement on the own resources decision, or even on the IGA, should be delayed, the composite Bill route might not be available and, as I

understand it, would not be to the liking of the hon. Member for Newham, South (Mr. Spearing). Decoupling might then be the only solution.

Before leaving this important subject I should emphasise again that the timetable in Brussels remains uncertain and we do not yet have final decisions on how the Commission will handle these somewhat complicated financing issues. The Government's own proposals on procedure must likewise, therefore, remain provisional for the time being. I shall keep the House informed about developments.

The documents that appear in today's motion fall into four categories: documents relating to the 1987 and 1988 budgets; a document on the Community's "financial engineering" proposals; the Commission's proposal for a new own resources decision; and documents on budget discipline and management.

With the House's permission, I shall say a few words about each of those subjects. First, I shall deal with the 1988 budget. The documents in today's motion have been largely overtaken by the developments in Strasbourg last night, which I mentioned earlier. Although precise details are not yet clear, it seems that the European Parliament voted yesterday evening to reinstate all its first reading budget proposals, thus creating, on present indications, an excess of 200 mecu in commitments over the statutory margin that the treaty allows the Parliament to add to the Council's proposals for non-obligatory expenditure, while using up all the margin for payments.

In response to this, the President of the Budget Council announced that he had authority from the Budget Council to negotiate a new maximum rate of increase for commitments and would therefore agree to the Parliament's proposals on the Council's behalf. The result is that we now have agreement between the Council and the Parliament on the 1988 budget.

It remains uncertain when the President of the Parliament, Lord Plumb, will declare the budget adopted. He said last night that he would take time to consider——

Mr. Stuart Holland (Vauxhall): I hesitated for a moment before pointing this out, but I think the right hon. Gentleman will find that he has already made these points to the House this evening.

Mr. Brooke: I will, if I may, continue my speech.

Mr. David Curry (Skipton and Ripon): I wonder whether it would assist the House if I told my right hon. Friend what happened in the European Parliament yesterday, because I was there. The Parliament voted through a budget that went beyond what the Council regards as the margin of commitments and the President of the Council, Mr. Tietmeyer, signalled his consent to that higher amount by fixing a new maximum rate. Therefore, the situation is that the budget is now in a condition to be signed by the President of the Parliament. He has said that he will sign the budget after he has studied it, and the event upon which he is waiting is the next round of discussions on the inter-institutional agreement, to which my right hon. Friend referred, and which represents the Parliament's desire to be associated with the longer-term framework of budgetary discipline over a five-year period. What has not yet happened, as my right hon. Friend said, is any vote in the Parliament on the financial regulation or the own resources decision.

Mr. Brooke: By some process of serendipity, my hon. Friend has anticipated with absolute precision the remarks that I was about to make. I shall enlarge upon what I said earlier about Lord Plumb before the hon. Member for Vauxhall (Mr. Holland) intervened.

Lord Plumb said last night, as my hon. Friend the Member for Skipton and Ripon (Mr. Curry) mentioned, that he would take time to consider whether the budget had a secure revenue base, and also the state of play on the inter-institutional agreement about the development of the Community's programmes over the next five years, which the Council and the Parliament are trying to negotiate. Some members of the Parliament are arguing that, in the absense of agreement on the new own resources decision and the IGA, the budget has no secure revenue base. We have considerable sympathy with that view. The decision, however, is for Lord Plumb. Here, too, I undertake to keep the House informed about developments.

As to the magnitudes involved, we do not yet have the detailed figures from Strasbourg. Our own provisional calculations suggest, however, that the budget as now agreed will provide for total commitment appropriations of 45·3 becu and total payment appropriations of 43·8 becu. Compared with the final budget for 1987, the percentage increases are 20·9 per cent. for commitments and 21 per cent. for payments.

Within the totals, the level of agricultural guarantee expenditure is exactly as agreed at the Brussels European Council. The percentage increase in non-obligatory payments is 9·5 per cent.

Mr. Ron Leighton (Newham, North-East): I am trying to understand what is going on. It seems that we are in a rather humiliating position in that we do not know what we have to pay. All we know is that it is continually more each year and each time the Paymaster comes along. That is a singularly appropriate nomenclature. He is the paymaster of the Common Market. Whatever it says we have to pay, he coughs up the money. He is not sure what we have to pay, but we have a helpful intervention from a member of a slightly alien institution who gives him helpful advice as to how much we have to pay. Whatever it is, he gives us the bill and we pay it. Is that what the British Parliament has come to?

Mr. Brooke: If the hon. Gentleman will excuse me, I think that that was a largely rhetorical intervention. I can assure him that when I became Paymaster General I informed my friends in the Budget Council that my attitude towards them had not changed at all and that my title did not indicate any change in my attitude.

I was referring to the level of agricultural guarantee expenditure. The increase in non-obligatory payments is 9·5 per cent. This, too, is broadly in line with the level of expenditure envisaged at the Brussels European Council, although the increase of 12·6 per cent., in non-obligatory commitments is somewhat higher than I would have wished. I argued at the last Budget Council, with French support, that the Council should not agree to any excess over the statutory margin which the Parliament is entitled to add to the Council's non-obligatory expenditure proposals. The prevailing view was, however, that the President of the Council should have a certain flexibility to negotiate with the European Parliament.

I turn briefly to the document on the Order Paper, No. 4051/87, which introduces the Commission's ideas on

[Mr. Brooke]

financial engineering. "Financial engineering" is a term of art in the Community—if art is the right word—which refers to the mobilisation of funding for investment. The Government share the Commission's views on the importance of the spirit of enterprise, the working of market forces and productive investment.

We are not convinced, however, that new Community funding mechanisms are necessary. In most of the Community countries we already have highly developed private sector mechanisms for funding investment programmes, and the Community itself already has a major institution, the European Investment Bank, for the funding of investment projects in Europe. The member states will no doubt wish to examine the Commission's idea carefully with these points in mind.

Mr. Curry: Does my right hon. Friend agree that if the British Government's ideas on reducing the number of commissioners had been adopted, so that there was one per country, we might have rather fewer policies, because it would not be necessary to find policies for every commissioner to manage?

Mr. Brooke: I am familiar with the application of Parkinson's law in all areas of human endeavour, and in the Commission in particular.

Mr. Teddy Taylor: Before my right hon. Friend leaves document COM(87)150, as he has referred to the percentage increase in agriculture, could he explain why on page 16 of that document, which seems to be the fundamental page setting out the figures, according to the Commission and according to those who published it, there is a proposal to increase expenditure on agriculture by 16·03 per cent., and not the figure that he mentioned, particularly as this seems to be an extravagant figure well beyond what was mentioned in his speech or in the discussions in the European Council?

Mr. Brooke: As that is a rather detailed statistical point and I do not have the document readily at hand, I shall respond to my hon. Friend at the close of the debate.

I turn now to the new own resources decision. Document 5266/88 in the motion contains the Commission's proposal for this important new decision, which the Council and official Committees in Brussels have been debating for several weeks. The purpose of the new decision is to give effect to the agreements on own resources which the Heads of Government reached in February at the Brussels European Council. In keeping with this, the decision provides for: a new own resources ceiling of 1·2 per cent. of the Community's GNP, with a corresponding 1·3 per cent. of GNP ceiling on commitment appropriations; limitation of VAT contributions to 1·4 per cent. of the VAT base, which is similar to consumer expenditure; a redefinition of the VAT base, known as "capping", such that in future the assessable VAT base of each individual member state may no longer exceed 55 per cent. of its GNP; the introduction of a fourth own resource, based on GNP shares, which will take its place alongside the existing levies and duties and VAT own resources and serve as the Community's residual source of finance; and new provisions to ensure that the Fontainebleau abatement system for the United Kingdom remains intact within the new system of own resources.

For the United Kingdom the effect of these provisions wil be that for any given level of the Community budget our gross contribution will be lower in the first instance than under the existing own resources system, because of the provisions for VAT capping and the new fourth resource; but we shall receive correspondingly less abatement in the following year. The overall effect on the United Kingdom will thus be neutral, except that there will be a timing advantage.

The Commission's draft of the own resources decision makes no provision for sub-ceilings on own resources: that is to say, intermediate own resources ceilings for the years between now and 1992 below the overall 1·2 per cent. of GNP ceiling. However, the Brussels European Council made explicit provision for such sub-ceilings and the Council has been considering how they should be incorporated within the own resources decision.

There are, in addition, certain other arguments over the text of the own resources decision which have still to be resolved in the Council. The largest of these is the so-called Italian problem. The Italians claim that the Commission's proposals for financing the United Kingdom abatement will result in too much of the budget being financed from the new fourth resource and too little from VAT own resources. Since the Italians' share of the Community's GNP is considerably larger than their share of the Community's VAT base, the Italians would be better off under a different system, which provided for more VAT and less GNP-shared financing.

We remain hopeful that these and other problems will be finally settled over the next two or three weeks. The Government have, however, made clear throughout that the United Kingdom will not finally and formally agree in the Council to the new own resources decision until there has been agreement to the other elements in the Brussels package, notably the decision on budget descipline.

The last two papers listed in the motion deal with the important subjects of budget discipline and management. On budget management, the Commission proposal in document 5282/88 for amendments to Community's financial regulations is concerned with giving legal force to changes for which the United Kingdom pressed hard in the future financing negotiations. The first is a provision whereby the traditional Community practice of carrying over unused budget appropriations from one year to the next should become the exception rather than the rule. The second is a provision limiting any negative reserves which may be entered into the budget to 200 mecu.

So far as budget discipline is concerned, the explanatory memorandum, which is the last document listed in the motion, summarises the proposal for a council decision on budget discipline for obligatory expenditure, and in particular for agricultural guarantee expenditure. As hon. Members will recall, the United Kingdom fought long and hard in the months before the Brussels European Council for improved discipline over agricultural spending. That is reflected in the draft decision.

As I explained to the Treasury and Civil Service Committee last week, there are five critical areas in which the controls on agricultural spending have been strengthened. First, the guideline limit for this spending will in future be enshrined in a legal instrument which will be binding on the Council.

Secondly, the notorious provision in the 1984 budget discipline conclusions for exceeding the guideline in "exceptional circumstances" has been scrapped. In its

place we are to have a symmetrical monetary reserve arrangement to deal with the budgetary effects of substantial movements in the ecu/dollar exchange rate in either direction within a limit of 1 becu a year.

Thirdly, the Commission has undertaken to put forward price proposals which are consistent with the guideline limit; to insist on a joint meeting of Finance Ministers and Agriculture Ministers if the latter seem likely to take decisions which would involve exceeding the expenditure implied by the Commission's original proposals; and to manage the agricultural budget chapter by chapter—or, in other words, major commodity by major commodity—not globally as in the past. The Commission has undertaken to monitor expenditure and take remedial action if it threatens to exceed the budgetary provision, either by using its own management powers or by making proposals to the Council on which the Council will be committed to act within two months.

Fourthly, the instruments for controlling spending on individual commodities have been greatly strengthened by the introduction of automatic stabiliser mechanisms in all the main product regimes.

Finally, there are new arrangements for systematic depreciation of new agricultural stocks, with special provision earmarked for the cost of depreciating existing stocks.

Mr. Forth: My right hon. Friend was not in his present position at the time of Fontainebleau, and cannot therefore take any credit for it, but having looked back at it and at what was said in the House after it, when a number of us were accused of being unhelpful and cynical for suggesting that Fontainebleau was not all that it had been cracked up to be, will he assure me that he and our right hon. Friend the Chancellor of the Exchequer are satisfied that we have got it right this time? By conceding an interest in the Community's resources, will we get the effective discipline that we emphatically did not get after Fontainebleau?

Mr. Brooke: I assure my hon. Friend that the narrative of the Fountainebleau debates is well known to me, and I am aware that several of my hon. Friends made such comments at the time. The position today is greatly improved, but my hon. Friend and I belong to a party that has always believed that this is an imperfect world, so I cannot promise him everything.

Mr. Curry: Does my right hon. Friend accept that one of the important things that has happened since Fontainebleau in the changing budgetary arithmetic of the Community is that France is moving into the position of being a net contributor rather than a recipient and so has a greater vested interest in the control of expenditure? Equally, Spain stands to make no great gain out of agriculture and therefore has an interest in limiting agricultural spending to create resources for the funds from which she would benefit. Is that geographic change not as politically important as formal guarantees about agricultural expenditure in determining what happens?

Mr. Brooke: I am grateful for my hon. Friend's comment, although some of it might have come in a speech at a later stage. On the first day of the international cricket season, I have no desire to bat all day and I shall seek now to bring my speech to an end.

For non-obligatory expenditure, there appears to be no scope for a legal instrument, based on treaty, comparable to that proposed for obligatory expenditure. The problem is that such an instrument would fetter powers which the treaty itself confers on the Parliament. The Brussels European Council agreed accordingly to seek an inter-institutional agreement with the Parliament over the development of non-obligatory expenditure during the next five years and, failing such agreement, to adopt on its own initiative internal rules for restraining the growth of such expenditure.

The Council's proposals, which were enshrined in the Brussels European Council conclusions, provide for specific additions each year to commitments for the structural funds, confirmation of existing multi-annual commitments for research and development and integrated Mediterranean programmes, and containment of commitment appropriations for the rest of non-obligatory expenditure within the statistical maximum rate of increase laid down in the treaty.

Although the provisions for budget discipline over non-obligatory expenditure cannot be enshrined in a legal instrument of the same kind as for obligatory expenditure, the political commitment to this element in budget discipline is every bit as binding as for agricultural expenditure. In addition, the sub-ceilings on own resources which I mentioned earlier, taken together with the guideline limit on agricultural guarantee expenditure, will indirectly provide an overall and binding limit on the scope for increases in non-obligatory expenditure.

I apologise if this speech has been a little protracted by interventions. Some hon. Members may feel that I have raced with indecent haste through a labyrinth of complex issues. If they do, I ask their forgiveness. The Government will continue their efforts to put the Community's finances on a sound basis, and we hope that hon. Members of all parties will support us in that.

7.47 pm

Mr. Stuart Holland (Vauxhall): I beg to move, to leave out from "discipline" to the end of the Question and to add instead thereof:

'views with concern the proposals of government to conclude an agreement to provide payments to the European Community prior to final adoption of instruments authorising own new resources and discipline; and calls on Her Majesty's Government to give notice to the Council of Ministers that its agreement to the draft budget and the proposals for own resources is dependent on rapid agreement on new financial disciplines, particularly those related to the Common Agricultural Policy, and on the formula for the United Kingdom rebate as agreed at the last European Council in Brussels, on adoption of a genuine and expeditious programme for a substantial reduction of Common Agricultural Policy spending, on a corresponding increase in other budget allocations, not only for the social regional funds, but also for the environment, and for assistance to developing countries, on recognition that a harmonisation of VAT rates is not necessary for achievement of a common internal market by 1992, on international governmental action for a recovery of employment, income and trade in the Community, including re-establishment of a major role for the Medium Term Economic Policy Committee, and on new accounting procedures to gain transparency on the market behaviour and abuse of dominant positions by bigger business in the Community.'

Some things bear repetition—music is a case in point—and I must repeat that the Government's record of failure in the matter of budget and own resources is deplorable by the standards that they have set themselves.

[Mr. Stuart Holland]

I am sure that we shall shortly benefit from a contribution by the right hon. Member for Worthing (Mr. Higgins) who, in the Treasury and Civil Service Select Committee on 11 May, put the following question to the Paymaster General:

"We were told some years ago, were we not, when the original budgetary package on this came through, that the proportion spent on agriculture would fall?"

The Paymaster General replied:

"I think it is a matter of common knowledge between us that the arrangements which were secured in 1984 for the restraining of agricultural expenditure were not as effective as they should have been."

That, I suggest, is the understatement of the month.

In the same Select Committee—in passing, I congratulate it on the work that it has done—the right hon. Member for Worthing said:

"If we go, as the Michelin Guide would say, for a little history, the Government's position originally was that there would be effective budget discipline. This Committee at that time expressed extreme scepticism as to whether that would be effective. That indeed turned out to be the case: that it was *not* effective. We were then told by the Prime Minister that she would not go along with any further arrangements for increasing own resources until the whole thing was tied up in a legally binding way. I do not recollect her saying 'except for non-obligatory expenditure.'"

This is typical of the overruns that we have had time and again in the Community. It is clear that Fontainebleau has not stuck and that the fundamental problems have not been resolved. The overwhelming share of the overruns will still go to agriculture, although a sizeable share goes to the regional fund. The situation is clearly out of hand.

Mr. Curry: The general secretary of the Labour party was in Strasbourg earlier this week. Did the general secretary advise the members of the British Labour group to vote against the increase in non-obligatory expenditure in the budget?

Mr. Holland: That is a fascinating intervention. I have not spoken to the general secretary of the Labour party since he was in Strasbourg. There will be a vote in the House tonight. If the hon. Gentleman cares to pay attention, as I am sure he will, to what I am saying or to the terms of the amendment, he will see that the amendment is constructive. It proposes that the framework of expenditure in the Community could well be put to useful purposes. That is not happening at present because the common agricultural policy is simply out of control.

One of the reasons for that is precisely the whole strategy adopted by the Government towards the budget. It is common knowledge that in an exchange between the then Prime Minister of France and our Prime Minister at the last summit an untranslatable French word employed by the French Prime Minister provoked a response from our Prime Minister. I am perfectly aware of what the word means and the hon. Member for Skipton and Ripon (Mr. Curry) may also know what it means. I do not propose to translate it here.

Governments of the Left, Right or Centre in the European Community are sick and tired of this Government approaching the question of the budget only in terms of the rebate. The rebate is very important, as my hon. Friends will quite rightly stress, but the Government have failed to adopt a constructive attitude towards what the Community might well do in common in a range of areas where the budget is allocating funds between and within member states.

It is quite clear that we need a square deal from the Common Market. All hon. Members agree on that. We also need a new deal from the European Community. We need a new deal for Europe that will enable us to address matters of urgent and pressing importance affecting our joint economies. We need to be able to address the role that Europe plays in the OECD and the kind of economic difficulties into which the world economy is moving with, for example, the potential slowing down of the United States economy. We should be able to address the question of target exchange rates and the attitude of the Government and other Governments towards the European monetary system. These matters very much affect the feasible kinds of expenditure that can be undertaken by member states and not simply by the budget itself.

Our amendment stresses that there should be a substantial reduction in spending on the common agricultural policy and not just a slowing in the rate of increase of CAP spending. There should be a corresponding increase not only in the social and regional funds, but in spending on the environment and on assistance to developing countries.

Mr. Teddy Taylor: The hon. Gentleman said that there will be a slowing down of the rate of increase in agricultural spending. Can he find anywhere in the mountain of documents with which we have been supplied any evidence that there will be a slowing down in the rate of that increase?

Mr. Holland: No; and one of the points that I shall deal with in summing up is that the stabilisers appear to be not declining but inclining and that we are not actually getting the reduction that we should be getting.

The budget, the "take note" motion before the House and the documents to which it refers cover the social and regional funds, the environment and, as it happens, assistance to developing countries. These are all brought within the terms of reference of the Commission's consultative document 4051/87 which is referred to on the Order Paper and in the Commission's document as "financial engineering." I have not had a chance to consult whoever is responsible for translating this document either in the Commission or in the Foreign Office. Financial engineering is not at all what the document is about. That suggests to me that whoever found the French term for financial mechanisms translated it into the English equivalent of mechanique, which is engineering. This document is not about engineering in any way; it is about financial mechanisms.

When the Paymaster General gets to his feet and says, "We have considered this document and looked in depth at all the proposals that it makes on a range of issues," I have to ask the House whether that can possibly be the case when the very title of the document makes no sense whatever. Financial engineering there may be in the European Community or in the common agricultural policy, but that is clearly not the intent of the document. Moreover, the document contains many useful proposals on the renewal and strengthening of industry and the

industrial base in the Community and on the very imaginative possibility of joint ventures with, for example, developing countries.

The Paymaster General says that there is no evidence of a gap. The Treasury memorandum says:

"The Commission assumes, but does not demonstrate, that there are gaps in the financing of viable projects left by the private market."

This is yet another area, as on the budget rebate, that preoccupied the whole summit agenda and on which the Government are totally out of step with every other Government in the Community. All those Governments have medium to long-term credit institutions and regional development agencies focused especially on the promotion of small and medium enterprises, precisely because they recognise, as did the Macmillan report in the 1930s in this country, that there is a financing gap for small and medium firms because they face problems in raising funds on equal terms with larger businesses. Larger firms have a larger volume of borrowing, so they gain lower interest rates.

Therefore, intervening in the market to give, for example, an interest rate advantage in regional or structural funds to small and medium firms is not a distortion of the market but an equalisation of competition in the market. However, I do not expect the Paymaster General to be following that argument in this paper with much attention because he has not even managed to realise that the title of the paper is mistranslated.

I would not expect the Paymaster General, given his opening speech in the debate, to realise that if the Government do not support these new proposals for financial mechanisms in the Community, they may find themselves out of line with Council decision 87/307 and amending Council decision 83/624 87, known in less numerate terms as the SPRINT programme. If we look at annex III to the SPRINT programme, in the document to which I have referred, we see that we had agreement by the Council for priority action on

"Organisation of pilot activities, transnational in aim or in nature, relating to the training of technology transfer specialists on the management and financing of innovation and related fields".

There is even

"Establishment of liaison mechanisms between local authorities"—

I stress that to my hon. Friends—

"as agents in the innovation process, as regards both the possibility of fostering innovation through co-operation on procurement and their role, or that of equivalent bodies responsible for innovation".

This, again, is an example of the Government's bias against mixed economy intervention at local authority level. It is to the credit of the Commission, in bringing forward proposals such as it has brought forward in the document that is mistitled "financial engineering", that it realises that there is a need for joint action and joint policies between Governments to strengthen and equalise the competitive opportunities for small and medium firms. That has a major relation to the feasibility of effective regional development, which itself concerns the spending of regional funds.

Sir Anthony Meyer (Clwyd, North-West): I am listening to the hon. Member for Vauxhall (Mr. Holland) with great interest and a certain amount of encouragement. The hon. Gentleman talks about the need for more common action, but is what he says compatible with the passage in the amendment that he is moving, which seems to regard any movement towards harmonisation of VAT as

"not necessary for the achievement of a common internal market"?

Perhaps the hon. Gentleman will cover that point, as I should like to hear his views on it.

Mr. Holland: As the Paymaster General might say, I am indeed coming to that point. I am sure that the hon. Member for Clwyd, North-West (Sir A. Meyer) would not wish me to break the logic of my exposition.

On the social fund, I should like to raise a matter that was brought to the attention of my hon. Friend the Member for Barking (Mr. Richardson), by the Glamorgan women's workshop for high technology. *[Interruption.]* The project is jointly funded by South Glamorgan county council, the European social fund and Cardiff city council. Before Conservative Members show further that they regard this as a derisory matter not worthy of discussion in the House, they might pay attention.

The arguments made on behalf of the workshop are:

"It is clear from studies Europe-wide that women are still vastly under-represented in certain traditionally male occupations."

They continue:

"We are particularly disturbed that the guideline under which most women's training projects are funded has been amended from a general priority for training women—in areas where they are under-represented—to a priority in the first year of operation only."

They point out:

"This will exclude all training projects in the women's training network which have already been in operation for over one year."

We share the view:

"It is crucial that the European social fund confirms its commitment to women's training by retaining the specific guidelines relating to women. There is no adequate provision for women under the other guidelines, and for a small operation like us, the restriction of priority status to projects concerning over 1,000 people certainly excludes all women's training projects."

I see that the Paymaster General is expressing interest in the matter. Part of the nature of the Community in its decision-making is that we cannot expect an assurance tonight from the Dispatch Box, but we take the matter seriously. It is another way in which lipservice is paid to the rhetoric of promoting small and medium enterprises in the Community when, as Conservative Members well know, any enterprise employing more than 1,000 people is no longer a small enterprise, but a larger medium-sized firm.

The hon. Member for Clwyd, North-West asked about harmonisation of VAT rates, and our call that agreement should depend on

"recognition that a harmonisation of VAT rates is not necessary for achievement of a common internal market by 1992".

The hon. Gentleman may not have been present when last I raised the matter from the Dispatch Box in relation to the internal market in the United States.

This is not a new area of interest for me. I shall not detain the House with a personal history, but I spent some time in 1970 at the Brookings Institution in Washington, looking precisely into the extent to which features of the common internal market of the United States depended upon integration and harmonisation of tax rates and other provisions, rather than the sheer size of the market, and

[Mr. Holland]

the chance to achieve economies of scale within that market. Frankly, having studied the matter then and having looked at differences between corporate tax rates and local and state taxes in the United States, I could not find any commentator in the United States who thought that harmonisation of state and local taxation, or even harmonisation of corporation tax, was essential for economies of scale inside the United States. I suggest that the Commission and many of those who service it and those in the think tanks have got it wrong.

There is no more a need for us to have completely aligned VAT rates than to have completely aligned social security or Health Service provisions. One of the problems of the Community is its failure to address priority issues such as joint action to ensure a regaining of the industrial competitiveness of firms in Europe. Joint action could counter a continuing risk—despite what is reported by OECD—of a world economic recession, ending in a slump. We should tackle structural and technological unemployment. Instead, we have harmonisation of rear-view mirrors, rubber products, passport covers and number plates. Those have as great a role in stimulating economic growth as the harmonisation of VAT rates. They are all of secondary importance. They verge on the trivial. This is the problem with the Community's agenda.

The sort of agenda that we are asked to address in the debate tonight, in the achievement of an effective Commmunity budget, does not depend on harmonisation. The imperative of the European Comunity today is not to integrate but to co-operate. It is failing even to agree to co-operate on measures for integration of VAT. However, I do not particularly want to hammer the Government on this matter, because they have said already that they have reservations about it. Perhaps we could have a cross-Bench alliance on this matter, as well as reconsideration of the Commission's proposals on financial mechanism, rather than engineering. That could have beneficial effects locally and regionally.

Moreover, in answer to the hon. Gentleman's point, fiscal differentiation might be beneficial rather than a disadvantage or an obstacle to integration. Unequal integration has been admitted right from the report by the founding fathers of the European Community at the Messina conference. It was admitted then, unlike the terms of the treaty of Rome, that free working of the free market mechanism aggravated structural, social and regional disparities within the member states, which needed to be offset by the regional and social funds that we are debating tonight. Fiscal policy has a positive role to play, if that is the case, as it could equalise terms of competition.

There are certainly some cross-border problems. The hon. Member for Clwyd, North-West referred to this with regard to VAT harmonisation. In the case of Luxembourg and neighbouring states, differing VAT rates may promote cross-border shopping trips. But on the major issue, whether we must have VAT on food, clothing, children's clothes, books and publications and reading material in this country, which is the greater priority—the problem in some border areas of shopping sprees, or a taxation measure that would penalise everybody who eats, every child, and everybody who reads? We ought to get the priorities right.

We have drawn attention to the fact that cross-border exchanges between the Republic of Ireland and Northern Ireland have been promoted because there are different tax regimes for goods. In another context, no doubt we would all welcome that. But if we are all to be good Europeans, perhaps we should have differing VAT rates for promoting co-operation.

I am keeping an eye on the clock, Mr. Deputy Speaker, for the sake of Conservative Members and my hon. Friends who wish to speak in the debate.

On the further matter referred to in our amendment, we believe that the real priority agenda should be joint international economic action. That concerns less all Community Europe expenditure passing through the eye of the needle in Brussels, and more the Commission, the Community and Parliament playing a bigger role in sponsoring encounters between those who want change in the industrial structure of Europe and joint economic programmes for recovery to take the strain off the dollar and stabilise world currencies, and more give some reality to the negotiating triad of the Japanese, Americans and European Finance Ministers, which lies behind the Group of Seven, or any other major group, in terms of summit economic policy.

In that context, we have chosen to refer to the role of the medium term economic policy committee, with which at least Treasury officials should be familiar in its renamed form, the economic policy committee. It is not surprising that the words "medium term" have been dropped. I mean no discredit to those who serve on it, but increasingly this committee, which used to have a powerful role and was a useful forum for intergovernmental co-operation within the Community, has been reduced to the role of a forecasting unit. It is no more effective than an inner OECD working party.

When the committee was set up by Marjolin in 1964 and produced its first report in 1966, it was a major forum enabling member Governments to address at Community level what, in their view, was their important agenda, rather than simply react to Commission proposals and act within the terms of reference of the treaty of Rome, which is now 30 years out of date. Member Governments were able to set their own agenda on comparisons of the consistency of their macroeconomic policies and structural, social and regional policies. It is important that the committee should play such a role and important that its actions are reported to the House.

Our amendment states that there should be

"new accounting procedures to gain transparency on the market behaviour and abuse of dominant positions by bigger business in the Community."

This relates to what much of Community budget spending is about. There is much rhetoric and many measures concerning the budget and structural funds and about promoting a dynamic of small and medium-sized firms. The reality—I gave some illustrative figures earlier—is that bigger businesses dominate an increasing share of the Community's markets. Between 1963 and 1982, which was the last year for which figures were available, the top 100 firms increased their share of the Community's GDP from over one fifth to nearly two fifths. The top 10 non-agricultural firms in the EEC have as big a share of the Community's GDP as does the whole of the agriculture that is supported by the common agricultural policy.

Behind this lies a sorry tale of the Community's failure to develop, on a joint governmental basis, effective mechanisms for industrial intervention and industrial policy. We shall not get it as long as we do not know what is going on. Articles 85 and 86 are full of claims for transparency and alleged concern about abuse of dominant position. While we are talking of the Single European Act and a larger and larger market, the debates in the House on spending and budgetary policy should include reference to the obligation on the Commission to ensure that an effective accounting is undertaken of these larger businesses. I believe that research programmes should be supported on that basis. If they want any help, I am perfectly willing to give it.

There is an imbalance between the peripheral agenda and the central issues affecting Community Europe. This budget debate is stuck in the mud of the common agricultural policy. Agriculture is the last sector in Europe that one should seek to integrate because of its phenomenal efficiency differences—15:1 between Denmark and Portugal in terms of milk products. It is impossible to integrate and have a common price system for such a sector without reinforcing those who are already rich in multinational agribusiness while still giving no more than a marginal income to peasant farmers.

When we look at the quality of services—housing, health, education, and so on—the Government and the Treasury have one policy: "If at first you don't succeed, cut, cut and cut again." When it comes to the common agricultural policy, it is: "If at first you don't succeed, pay, pay and pay again," without effective accountability and benefits to consumers and with vast profits to agri-business firms and stabilisers which appear to be on the incline rather than the decline.

With due respect for the fact that the Paymaster General gave way several times, and therefore perhaps lost track of the argument, his was a sorry speech, covering a sorry deal. It is time that the House gained redress.

8.15 pm

Mr. Terence L. Higgins (Worthing): I gladly join my right hon. Friend the Paymaster General in the tribute that he paid to the Scrutiny Committee, which has done an extremely good job. When one considers the fact that the papers that we are debating form a stack 5 or 6 in thick of closely typed foolscap, the motion that the House should "take note" of those documents has a certain irony. The Scrutiny Committee's work is of considerable help in enabling the House to give some sense of priorities to assessing these various documents.

My right hon. Friend the Paymaster General was kind enough to express appreciation to the Select Committee on the Treasury and Civil Service, which I have the honour to chair. In return, I am bound to say that the help that he and his officials have given our Committee has been of considerable value. As often happens with our reports, the evidence is more important than the report. I hope that we have managed to set out some of the dilemmas that confront the House.

It is difficult for the House to debate these matters in the present form. In a sense, we would be much better off with a Committee stage procedure, when there could be more orderly interventions—I say that despite the generosity of my right hon. Friend the Paymaster General in giving way—and hon. Members could speak more than once. It is difficult in this form of debate to come to grips with some of these difficult and complicated issues.

The fact that we have a debate ahead of the Foreign Ministers' meeting enables the House to express a firm opinion on some points. As has been pointed out, the *House will not come to a decision—in whatever format is* decided upon—until later. This is not exactly a preliminary, but it is an interim, run round the course.

Mr. Spearing: The Scrutiny Committee is one of the best staffed Select Committees. The right hon. Gentleman is correct in saying that the House should be able to consider more legislation to approve decisions on the new financial structure. Does he agree that this is our last opportunity to discuss approval of next year's budget?

Mr. Higgins: I hope to turn to that point. That may turn out to be true. I hope that my right hon. Friend the Paymaster General will clarify the precise position. To say the least, it is obscure. If one were less charitable, one might say that it is chaotic. My right hon. Friend the Prime Minister returned to the House on 15 February and made a statement about her meeting in Brussels between 11 and 13 February. The impression was created that, although big changes were envisaged in terms of increasing own resources by 25 per cent. and strengthening budgetary discipline and so on, somehow this was a matter that could be decided and we would then move forward to 1992. I certainly welcome progress in that direction.

In the course of our analysis of what has been devoloping, we discovered that, far from the matter being cut and dried, there are serious procedural problems and timing difficulties. There are proposals for paying more money to the Community in the form of an intergovernmental agreement and an increase in own resources. We are setting those proposals against guarantees on budgetary discipline on the one hand and effective implementation of the United Kingdom's rebate on the other.

It is important to get the sequence of events right, lest we agree to paying more money to the Community without obtaining those things that my right hon. Friend the Prime Minister believes that she has negotiated. We need only consider the experience of the Fontainebleau agreement which, as my right hon. Friend the Prime Minister now recognises, has broken down as an effective form of budgetary restraint, to realise the considerable dangers.

I wish to deal with a point raised by my right hon. Friend the Paymaster General about our obligation to meet overdraft demands from the Community. He referred to that as a cash flow problem, but I am doubtful whether it is a cash flow problem. It is euphemistic to describe as a cash flow problem a situation in which, unless one receives additional money from another source, one finds oneself bankrupt. As I understand it, if we do not agree to an intergovernmental agreement and to an increase in own resources, it is not a cash flow problem, but a situation in which we simply run out of money.

I wish to deal now with the question whether we are obliged to go along with the overdraft agreement. My right hon. Friend, in an interesting passage in his speech, appeared to imply that we were obliged to do so if the overdraft requested did not exceed the amount that we were obliged to provide sooner or later under the existing

[Mr. Higgins]

own resources agreement. I hope that we shall not go beyond that, and I see no reason why we should. That would put us in danger of finding that our bargaining position had disappeared and that we had not secured what we wanted to secure.

I do not wish to deal here with the question of the composite or own resources bill. We shall have to consider that matter carefully, depending on how it develops, but the question of the budget, which was apparently agreed yesterday, is important in this context. It shows clearly how the Community is continuing to increase its expenditure all the time. My right hon. Friend said that Parliament had gone along with that, although Lord Plumb had not yet finalised matters. As I understand it, the President of the Council said that he was prepared to go along with the increase in the figure originally thought to be appropriate, although I am not sure by what authority he did that.

Perhaps my right hon. Friend would clarify the position. The crucial question is whether to go along with a proposal for an intergovernmental agreement after the budget has been approved. My right hon. Friend said, in evidence to the Select Committee, that we would not do so until everything that we wanted had been agreed. I hope that he will make it clear that that is the position.

I turn now to the difficult question of rebate. On 15 February, my right hon. Friend the Prime Minister gave the impression that our rebate was completely protected, but there is now the so-called Italian question. I am not clear on what basis the objections are being raised, as they clearly appear to contravene what was thought to be agreed at the summit. We have experienced this problem before. We go along with these ideas in broad outline, but, when settling the details, we find that the matter is not as cut and dried as we thought it to be.

My right hon. Friend did not mention the change in principle from a VAT-based own resources to a GNP-based own resources. The Select Committee commented on that and my right hon. Friend gave evidence on that point in Committee. The Committee has had occasion, in its recent report, to point out that the United Kingdom's calculation of GNP is extremely difficult because one can calculate it in various ways—for example, by the expenditure method or the income method —and obtain different answers. It is worrying if, in the light of that, the Chancellor of the Exchequer does not have a good basis upon which to react in terms of economic policy.

However, something different is involved in this change. We are relying on the GNP calculations to decide how much money we pay over in terms of taxpayers' hard cash. If our GNP figures are as suspect as they now appear to be, I wonder what the GNP figures are like in other countries. We should not go along with the proposal until we are satisfied with the statistical basis for the calculation.

I wish to say a few words about budgetary discipline. It has been suggested that the move towards stabilisers in relation to the common agricultural policy is a great advance. My right hon. Friend the Prime Minister, in her statement on 15 February, said that the stabilisers on agricultural products would be very important and that, if the output were too great, there would be a price cut of 3 per cent. a year on the whole crop. It is important that that should relate to the crop as a whole, but, nevertheless, the cuts are cumulative and, if harvests continue to exceed the threshold, there will be a huge 12 per cent. price cut by the fourth year. The idea that that will have a dramatic effect in reducing surpluses, even over the four-year period, is absurd, but I view with scepticism the idea that it will have an immediate effect when the surpluses continue to increase.

Similarly, we have been told that agricultural expenditure will not continue to increase as quickly as it has been doing and will increase only at three quarters of the rate of the Community's GNP. I have yet to be convinced that there is any case for increase of expenditure on agriculture when we have those surpluses. The idea that budgetary discipline is effective in that respect is therefore very doubtful.

Mr. Teddy Taylor: Does my right hon. Friend agree that, apart from those nonsensical percentage estimates, a considerable amount of expenditure has been added on to budgets for 1989 and the future, instead of being included in the 1988 budget? In addition, some expenditure previously carried by the Community in 1987 is being carried this year by member states.

Mr. Higgins: Those two points reflect the loopholes through which increasing amounts of money are pouring into the sector. However, I do not understand why the agricultural community alone should be protected against fluctuations in the exchange rate. No other industry is put in that extraordinary position. We have not tackled that problem and it severely weakens budgetary discipline.

In the light of experience after Fontainebleau, the Prime Minister told the House, "It didn't work, but we shall have it made legally binding in future. Don't worry —the arrangements that we make on budgetary discipline will be legally enforceable." However, we now discover that that applies only to certain aspects of the budget; it will not be legally enforceable overall. It will apply to obligatory expenditure but not to non-obligatory expenditure.

In that context, we shall have an "inter-institutional agreement". As I understand it, that will not in any sense be legally binding. Therefore, the idea that we shall have overall legally binding budgetary discipline is not the case. Yet that was certainly the impression created in the House at the time of my right hon. Friend's previous statements. It remains doubtful whether the measures which will be legally binding will in reality impose the kind of restraint on Community spending that we would normally mean when we say that there is effective control of public expenditure.

I well understand the difficulties which my right hon. Friend the Paymaster General and his ministerial colleagues are having, but it seems absolutely crucial that we should not go along with an IGA or with proposals for an increase in own resources by whatever parliamentary mechanism may be agreed, until such time as the rebate is effectively imposed and guaranteed and we have an effective degree of budgetary discipline. I regret to say that that has not been achieved.

I hope that I can encourage my right hon. Friend and his colleagues to do everything possible to achieve effective financial management in the Community, which so far has most certainly been lacking. Unless we do that, those of us

who wish to see further progress, as I certainly do, in the run-up to 1992 and all that that implies will be seriously compromised.

Mr. Curry: Before my right hon. Friend sits down——

Mr. Deputy Speaker: (Mr. Harold Walker): Order. I think that the right hon. Gentleman has sat down.

Mr. Leighton: I think that the right hon. Gentleman was just hesitating. He has made an absolutely unanswerable case and we are indebted to him and his Committee for the way in which they have monitored this matter over the years. What moral does he draw from this? There is no financial discipline on the CAP and there will not be. The whole question of reform is nonsensical. The CAP will never be satisfactorily reformed. Can the right hon. Gentleman see any advantage to the United Kingdom in having a CAP? Is not the moral that we should extricate ourselves——

Mr. Deputy Speaker: Order. I thought that the hon. Gentleman was seeking to make an intervention. I call Mr. Higgins.

Mr. Higgins: Having argued for a more Committee-stage approach to these problems, it would be churlish of me to insist that I had sat down.

The reality is that we are making considerable progress towards some control over the problem. Many political pressures are impinging on this. The argument that we shall get more discipline from countries which are net contributors turned out to be a delusion, and that argument was put strongly at one time. We must work hard to get the structure right, and we must all press for that. In terms of practical politics, we cannot say that this is the end of the matter and we shall withdraw. We must work as hard as we can and encourage my right hon. and hon. Friends to do all that they can to bring some sanity into the proceedings.

8.33 pm

Dr. John Reid (Motherwell, North): My hon. Friend the Member for Vauxhall (Mr. Holland) referred to a mistranslation from the French of the phrase rendered in English as "financial engineering". No doubt that was unwittingly mistranslated. For someone like me who does not have experience of these matters to the extent of some hon. Friends and hon. Gentlemen, it seems, although ironic, a fitting mistranslation. That phrase conjures up phrases such as "creative accounting" and "economic truths". In retrospect, the phrase "economic truths" seems to be a fitting description of some of the budget proposals and discussions that have taken place in the EEC during the past few years. Perhaps that is what gave rise to the motion that was tabled by the Socialist Group last night questioning the legality of the EEC budget.

As I have less experience of these matters than have many hon. Members, I read through the debate of 2 March on the European Court of Auditors and noted, among other things, the excellent contribution of my hon. Friend the Member for Vauxhall. He made some crucial points which merited being aired at a more civilised time. To make a speech at 1.30 am when the press has gone to bed and the Chamber is virtually empty does not reflect the importance of these matters.

The Paymaster General also expressed some anxieties about the budget, and they should be aired again. Three points have not been clarified tonight: the imbalance between expense and revenue, the excess growth of agriculture expenditure, and the burden of past budget management—what would almost be called fraud in other quarters.

The right hon. Gentleman referred to what he called "cash flow problems". It is not a cash-flow problem, but a cash problem. There continues to be an imbalance between expenditure and revenue, and this is what lies at the heart of the Community's financial mess. The imbalance has two main causes: first, the failure of budgetary discipline to control excessive expenditure, especially agriculture expenditure; and, secondly, revenue ceilings which the Court believed were artificial and took insufficient account of the Community's financing needs. The Court of Auditors unfortunately felt that that would continue, particularly in view of the mountains of surplus produce waiting to be disposed of or depreciate.

On the previous occasion the Paymaster General told us that we had the machinery for change—in the context of the Community, that must at least be speculation—and that if it worked we should see a legally binding guideline on agricultural expenditure, which should grow more slowly than the Community's GNP. The Government's message, couched in more equivocal language tonight, is that the days of automatic, unlimited price support are over. I hope that that does not prove to be Government rhetoric, but on the evidence of the past few years our suspicions must be aroused that yet again that will be more rhetorical than substantial.

We have waited long enough for a serious move towards the limitation of CAP expenditure to a progressively smaller share of the budget, reaching, I hope, 50 per cent. by 1992, as opposed to the present staggering figure of 70 per cent. Surely we and the Government must consider our priorities in approaching the whole matter. The provision of increased resources for the structural and social funds are politically and socially essential for the real success of any common internal market.

We are told by the Department of Trade and Industry —or the "Department of Advertising" as it is rapidly becoming known—that 1992 will provide a historic opportunity for British business. If that opportunity merely puts money in the hands of the likes of Amstrad's Alan Suger, instead of breathing life into a crippled economy, it may satisfy the Government and a few of their City friends, but it will not satisfy Labour Members or British industry generally.

The social fund should be increased substantially if we are to pay more than lip service to the problems of the inner cities. I represent a steel-making constituency. Having learnt, over the last two days, that Ravenscraig, one of the most highly productive steel plants in the world, let alone Europe, is in danger of closure, the Community's preoccupation with agricultural spending becomes a sick joke to my constituents. Those priorities should be ordered not only to support our industry, but to help Portugal and Greece, where political and social measures are vital to the cohesion of the Community.

We have heard much about the Government's commitment to reductions in agricultural spending, and we witnessed an entertaining sabre-rattling performance from the Prime Minister in the European skirmishes. However, the March memorandum from the Select

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Committee on Treasury and Civil Service reveals that the 27·5 becu of agricultural guarantee expenditure now proposed for the 1988 budget represents no less than a 19·6 per cent. increase compared with the 23 becu provision in the 1987 Community budget.

The 1988 budget will, in addition, include 1·24 becu towards the cost of depreciation and disposal of existing excess stocks. If that additional amount is taken into consideration, the real percentage increase in agricultural spending from 1987 to 1988 rises to 25 per cent. on a budget which the Government constantly tell us should be, and will be, reduced.

In respect of that, the Paymaster General gave us resolute guarantees that the timetable, the cash flow and even the legality are uncertain. Tonight, in line with Churchill's famous phrase, he was "resolute in his equivocation." The efforts to gain control and reduce agricultural spending, and to maintain the system of budgetary control agreed at Fontainebleau, have been a dismal failure and all hon. Members are aware of that.

It is vital that the House and the Government realise the full extent of the failures. My hon. Friend the Member for Vauxhall explained the anomalies and lack of logic in the present position on 2 March. When the treaty of Rome was signed in 1957, one in four of the working population in the Community were employed in agriculture. That is no longer the case; in fact, far from it. The total working population in agriculture of the original six members of the Community is now down to about 5 per cent. For the Community of Ten—before the accession of the Mediterranean countries—that is down to about 7 or 7·5 per cent. It is now feasible to apply a deficiency payments system to the Community. We believe that that relates to the kind of analysis that the European Court of Auditors has made of the social and regional funds.

In the recent debates on this issue, we have heard guarantees from the Prime Minister and the Government that there would be a standstill on, or reduction of, the agricultural budget in due course. I do not agree with much that the hon. Member for Mid-Worcestershire (Mr. Forth) says in the Chamber, but I agreed with his use of the word "cynicism". Perhaps we should have regarded the statements with a little more cynicism. Since the statements were made, the binding controls that were promised have proved not to be binding and the budget is not under control. Spending has rocketed well beyond the ceiling of 1·4 per cent. In fact, it has gone far beyond the 1·6 per cent. which was never agreed to be binding on anyone.

My hon. Friend the Member for Vauxhall said that, instead of adopting a supranational approach to these issues, it would be better if the Community and its member states sometimes tried an international approach. If we cannot achieve co-operation we cannot force integration, and we cannot force integration even on the minor issues —the flood of transcendental minutiae—which have obsessed the Community and in which it appears we are now in great danger of drowning.

If we cannot deal with the minor issues highlighted by my hon. Friend the Member for Vauxhall, we cannot integrate on major issues unless we co-operate. It would be a tragedy, even for those hon. Members who are greater supporters of the Community than I am, if the vision of the founding fathers of the Community—eventual integration —were to become, not a spur, but an obstacle to further co-operation within the European Community.

I regret that the Paymaster General's statement tonight did not enlighten us on any of the problems that have been raised or promise any greater effectiveness from the Government. His statement was bad for the House. In the long run it will be bad for Britain and, I fear, for the rest of the European Community.

8.45 pm

Sir Anthony Meyer (Clwyd, North-West): These debates are usually depressingly familiar affairs. However, I am bound to say that so far this debate has taken a somewhat different pattern. We have heard two speeches from Opposition Members which started out being very interesting and appeared to face the real issues, but shied away from the fundamentals at the last minute. Neither the hon. Member for Vauxhall (Mr. Holland) nor the hon. Member for Motherwell, North (Dr. Reid) would accept that the further co-operation that they called for in those areas where the Community should be operating, where it should be stimulating new industry and creating new jobs, requires a very much more substantial degree of integration than either were prepared to admit.

The Labour party amendment reminds me of the *News of the World* calling for a moral revival. It clearly does not square with itself or the proclaimed attitude of the Labour party.

I had intended to say some severe things about the Government and my right hon. Friends on the Government Front Bench. However, I find it almost impossible, because my right hon. Friend the Paymaster General, with his transparent honesty and good will and the tremendous reputation that he has built up in Europe for his knowledge of the subject, is sitting on the Front Bench. He is ready to consider these questions very carefully.

However, I believe that Ministers are not facing the situation as it is and, above all, they are not obliging the House to face the situation as it is. There is general support, which was well articulated by my right hon. Friend the Member for Worthing (Mr. Higgins), for the need to contain the Community's ever-growing expenditure, particularly in the areas where further expenditure will lead only to ever greater surpluses.

There is widespread agreement on both sides of the House that something must be done about that problem. However, the agreement falls short—and I believe that the Government are guilty of allowing it to fall short—in the contemplation of the action that will be necessary to check that growth. It is not enough for the British Government to say, "This is what ought to be done. We all ought to adopt the same kind of rigorous system of financial control as is common practice in the House." At least, we like to think that it is common practice and we flatter ourselves to a large extent about that. It is not enough for the Government to say that other nations must pull their socks up, obey the rules and behave as if they were British. In a 12-nation Community, that simply does not happen.

When we debated the Single European Act, a Minister told us that the proposal for the Act was not only unnecessary, superfluous and bureaucratic, but would threaten our liberties. Would it be possible even to contemplate moving towards a single market—the aim for

1992—without the Single European Act which introduced the notion of majority voting at any rate in those areas where vital national interests were not at stake? That Act was fought tooth and nail, denigrated and had scorn poured on it.

Lord Cockfield was sent to Brussels to achieve an objective. Ever since he has been there, Ministers have constantly decried his efforts and attempted to undermine him. Yet without the single-minded impulsion—the bloody-mindedness—that Lord Cockfield brought to the process, we would not be on the road down which we are substantially travelling today.

The same thing is liable to happen with fiscal approximation. We hear Ministers declaring from the Front Bench that it is unnecessary to move in any direction down the road of fiscal approximation. I take the point made by the hon. Member for Vauxhall, that the American market works well with substantial differences in levels of excise duty and sales tax in different states. But that is a single market, using a single language, with a single Administration. It is one country. It can afford to have different levels of sales tax. Indeed, there are different levels of sales tax in different towns within France. Nobody will call for total fiscal identity throughout the Community. None the less, there must be inexorable progress in the direction of diminishing the substantial discrepancies in border taxes.

Mr. Holland: That is a non sequitur. The large companies, whose activities are so untransparent, already dominate all our markets. It is like the researcher who, before the first application to join the Common Market, asked Pilkington what the effect would be, to which the reply was, "In float glass, we are the Common Market." The hon. Gentleman really cannot see the wood for the trees.

Sir Anthony Meyer: The hon. Gentleman is making my point for me. The supranational companies are not inhibited in their activities by different levels of taxation, but that is preventing smaller firms from growing into major European firms which can transcend frontiers. That is where I take issue with the hon. Gentleman.

The Government are clearly resolute in their determination to get to 1992 to eliminate the tariffs, and at the same time to achieve a Community in which there is reasonable control over soaring levels of expenditure, but we shall not get there until they confront the country and the House with the painful choices that will be involved.

The requirements imposed on the Government and on the House in order to achieve those objectives must transcend the pledges given in the heat of the moment in the course of an election campaign because somebody accuses the Government of wanting to bring in VAT on children's shoes, and so on. Bigger obligations than those are involved here. If we really want to achieve the advantages of a full Common Market, which is not an extravagantly bloated bureaucratic affair, we must give overriding priority to our international requirements and a much lower priority to domestic political ones.

8.52 pm

Mr. Matthew Taylor (Truro): Our proceedings are made difficult, as hon. Members have said, by the need to debate such matters on the Floor of the House. With documents 4 or 5 in thick, we cannot be expected to make detailed comments on what is happening. In many ways it is a pity that we cannot deal with this in Committee, as has been suggested.

However, even if such a change were to be made for budgetary proposals of this sort, there can be precious little United Kingdom parliamentary control of the budget. The dual system in the EC—the Council of Ministers and the European Parliament, particularly the Council of Ministers—means that there will always be an element of negotiation after anything that the House has said and done. We cannot instruct Ministers in any detail on what is to be done, because there will have to be negotiation. We cannot give the final negotiating position to the Minister, because that would give the game away. We cannot give the upfront starting position to the Minister, because then he has no position from which to negotiate.

Mr. Spearing: There is always contiuous negotiation, and we would not expect the Government to reveal their hand, but does the hon. Gentleman agree that the House is perfectly capable of telling the Minister the point beyond which he should not go or the point at which he should start? Is he aware that the Danish Folketing does that every week within the terms of the treaty of Rome, so why should not we?

Mr. Taylor: Any negotiators who begin by announcing their starting and finishing positions will not get far. However, this is a relatively small point and I make it only by way of comment on what has been said earlier.

There are serious anxieties about the Government's ability, with the European partners, to keep control of the CAP, and, indeed, the European budget as a whole. We can see that they have not brought those under full control. Whether our Parliament sets down rules on that will not make any substantial difference. However, the problem with debates such as this and the way in which the EC currently goes about matters, is that we become obsessed with overall figures, the techniques for controlling them and the techniques for dealing with what are clearly, in many areas within the EC, spending controls that simply have not worked. We have forgotten how the matter relates much more directly to the individuals in each country—the little people—who bear the brunt of many of the decisions that we are taking. We are looking at overall macroeconomic figures, but those people suffer the microeconomic impact when it comes.

That, more than anything, is true of the CAP. Typically, the Labour party takes a particular interest in the overall cost of the CAP. I take a particular interest in its effect on the smaller farming units, particularly the effect of the controls on the CAP on smaller farmers such as those in my part of the country.

The problem with the way in which we deal with such matters at the moment, and the problem with the overall budgetary details in these documents, is that, when we talk about controlling the CAP, because everyone cannot get together to agree a sensible policy to take account of the individuals who are affected by it, we impose it overall, and that has a disastrous impact on those who are most in need of help from the EC.

When we debate budgets and policies, we sometimes forget what the CAP should be about, which is helping

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those who need help. We should endeavour to ensure that we are not causing greater problems. The House, Ministers and the EC have not successfully tackled that problem.

If we look, in particular, at the way in which the system works, the real problem is that we only consider the macroeconomics and the levels at which budgets should be set, not how they will work in detail. On the CAP, we have no policy to allow maximum control for the smaller communities within the EC to generate policies that are relevant to them. What we do is too much on a macro scale.

Similarly, on fishing, decisions are taken to control the overall budget and we then attempt to implement them in a bureaucratic way, which is about saving money, not about relating policies sufficiently to the particular communities concerned. We feel the impact of that at a local level. Fishermen have no local control over quotas, and MAFF botches it time after time. We talk about the macroeconomic control of the EC's budget but we end up neither controlling that budget nor assisting the very people we are meant to be helping by the spending of that money.

The Labour party's amendment has properly highlighted the fact that, while concentrating on solving the problems of the CAP, we are not putting sufficient effort into the social fund. The Government are under a particular obligation to do so, but they fail to consider how the fund relates to people. They are interested in the cost of the EC—as they should be—but they ignore the benefits we could obtain from the Community by taking advantage of its ability to devise a social and economic policy which will respond to problems in certain parts of this country and to certain parts of the Community as a whole.

The current situation is one almost of farce, in which the Government have said in response to the EC's offer of money to dual the A30 through Cornwall that they will take the money but cut their own budget so that there is no increase in total spending on dualling that road. They appear to have completely lost sight of the potential offered by the Community and of the reasons for our membership of it. The ways in which it can help local communities are being overlooked. Instead, we appear to be focusing only on a general budget document and on making economies. Although the Labour party is right in its analysis, we would like to see the Government do far more.

On the other hand, the Labour party offers the prospect of a new corporatism. Instead of tea and biscuits at No. 10, the idea is to have sandwiches at Strasbourg. There is the notion of "intergovernmental action" rather than integration. That will solve nothing. While ensuring that the European Community generates funds and encourages integration and the breaking down of barriers so that people can take advantage of the opportunities which Europe offers, we must also make sure that that process is not run from the centre by means of a giant corporate strategy perceived in Europe. We must devise a structure that will allow for local control. If we can grasp the opportunity for Community action in that way, we shall gain some advantage from it.

We are having this debate almost as though hardly anyone is affected by the matters being discussed. The small number of hon. Members present in the Chamber shows how few Members of Parliament believe that the Community relates to their contituencies or believe in its ability to tackle local problems. That is a failing of the Community and of the Government.

Integration of the kind I have mentioned need not be inflexible. It need not be on a macro scale or follow the "biggest is best" principle—that the same must apply to all. That is particularly so in respect of VAT rates. I was pleased to hear the Government say that they are not seeking a universal VAT rate. There is no evidence that such is needed. Certainly the American experience does not suggest otherwise. It may be that wildly differing rates in different countries could cause problems, but we are concerned with the ability of our country to react to the problems of the individual and to devise social policies to meet those problems.

We have social policies which meet the problems of children or pensioners, and which ensure that people are equally able to buy books and newspapers. Those policies do not need to change because of our membership of the Community and the wish to break down tariff barriers. It is crucial that we recognise that truth, and that the Minister stands by it.

Mr. Brooke: I infer from the hon. Gentleman's remarks that he is turning his back on the position taken by the Liberal party in respect of VAT in a peculiar debacle earlier this year.

Mr. Taylor: The Liberal party did not take such a position—[HON MEMBERS: "Oh."] I was among those of my hon. Friends who ensured that it never will take such a position. I am happy to confirm that we do not stand by the commitment to which the right hon. Gentleman referred. *[Interruption.]* I refer instead to our wider commitment to ensuring that the Community is about allowing individuals the freedom to do what they want, in making their own way and in overcoming their own difficulties at a local level. That is the emphasis we place on the European Community. It will be interesting for the Conservative Members who are commenting to see what the Government do in practice. We have heard the Government say that they do not want that; I think that we may well find that it is the Government, not we, who introduce it. It will be interesting to see whether the smiles on the faces of Conservative Members are as broad when that time comes.

9.4 pm

Mr. David Curry (Skipton and Ripon): Fifteen years ago, I was a *Financial Times* correspondent in Brussels. It fell to our office to monitor one of the early renegotiations of British membership of the European Community, that conducted by the Labour party when it was in office. I have no doubt that some right hon. and hon. Members will recall that perfunctory and self-satisfied performance, which left the entire fisheries agreement untouched and led to the referendum in the United Kingdom.

If we are to hear criticisms of this Government's performance in reforming the European Community, we must be clear about the yardstick against which it is measured. That performance—now, mercifully, a long time ago, as it is a long time since the Labour party was in Government—is the only yardstick that we have, and it was a dismal performance.

One of my responsibilities was to monitor agriculture. The Labour Ministers of the day had an amazing reputation for conceding high increases in farm prices—once, I recall, a rise of 14 per cent. The problems of the common agricultural policy are not recent; they go back to the origins of that policy. I readily concede that some fundamental mistakes were made at that point. I think, however, that it will make for a more candid debate if we recognise that all parties have faced identical problems in trying to bring reason into some of the Community policies, and that all parties have had to compromise in that pursuit because of the nature of the dynamism within the institutions in the Community.

I note that the hon. Member for Vauxhall (Mr. Holland) appears to be enunciating a new Labour policy towards Europe—I am glad that it is a new Labour policy—that we are looking for a sort of Continentwide intervention via mechanisms such as the social fund and, no doubt, the regional fund, to which I am sure he is equally attached. If that means that we can now argue about Europe not in terms of being in or out, but against the background of the free-market, single market approach to interventionism, at least we put the debate on a sensible, rational footing. I am happy to fight my corner if that is the Opposition's argument.

I also noted several references to the need to attempt to bind the Government when they go into negotiations with the Community. Last week, a Labour amendment was tabled to the discussion on tax approximation and, if memory serves me right, only 91 hon. Members voted for it. Clearly, there is a certain amount of conversion to be done—even on the Conservative Benches—in relation to that thesis. I have to say, however, that the Folketing has not proved outstandingly successful. It has managed only to create enormous embarrassment for its Government, who have spent considerable time and a number of general elections trying to sort the matter out.

Mr. Holland: Does the hon. Gentleman mean that he does not approve of elections as a means for voters to express their will in this matter? Does he not recognise that there is a role for the democratic process in national Governments, rather than their being overridden by supranational institutions?

Mr. Curry: I know that successive Governments in Denmark have found themselves forced into elections almost by accident rather than by design. That sort of haphazard democratic process may not necesarily commend itself to the House.

We have three important documents before us: the proposal on own resources, with the new fourth resource; the proposals for budgetary discipline; and the amendments to the financial regulation. I want to begin with the Cinderella, the amendments to the financial regulations. It is easy to talk in grand terms about controlling this or that, but we have to make sure that the nitty-gritty is right. If we are not in charge of the management of what is happening on a day-to-day basis, we do not stand a chance of getting the big problems put right.

There are three important elements in the financial regulations. The first is the provision which makes it difficult for unused appropriations to be carried over to the following year. Opposition Members talked about the social fund. Its functions are important, but it has a poor record of managing to spend its appropriations. Its efficiency in terms of rate of spend is poor. Opposition Members should recognise that if they want to demand greater resources for it. Up to 1 billion ecu of expenditure has been handed over automatically in the past. That is not a good way to run a railway. In the interests of transparency and the annuality of the budget—because it is an annual budget—it is important that that practice should be changed.

The second measure is the change in agricultural finance, which converts the advances into reimbursement but describes them still as advances. The invention of the retrospective advance is one of the less felicitous inventions of the Community vocabulary. It has now been made permanent, with a two-and-a-half month delay before member states are reimbursed for their expenditure.

This is a positive move, but it would be unwise to attach too much importance to it. Certainly it is better for monitoring and control if the Commission can see expenditure before it has to disburse its resources rather than simply hand out cash in advance. Up to now, the correction to the account has been done in March of the following year, so there is a further useful gain in that, but it is important not to exaggerate its extent.

Certain amendments will be proposed when the measure goes through the European Parliament. I ask my right hon. Friend to do his best to sustain them. At the moment the Commission dishes money out from a general kitty and it goes to wherever it is needed. I think that the Parliament will attempt to establish a series of kitties so that there is a chapter-by-chapter monitoring of expenditure. Again, this would be a management gain in the efficiency of the operation.

The important element of the financial regulations is the attempt to sort out the dreadful business of clearance of the accounts. It has taken five to seven years after the end of a financial year for the Commission to get legal clearance for the money which has been spent. The time is now down to about three years—hardly a brilliant performance. The trouble is that some people have moved on; probably some documents have moved on as well. When there are political problems, such as the way the French implement co-responsibility or, dare one say, the Milk Marketing Board its payments, it is difficult to obtain redress.

There should be much quicker clearance. The Commission is offering to clear the accounts by, if I recall rightly, mid-September of the second year after the closure of the accounts. I urge my right hon. Friend to argue the case for clearance, except in the most exceptional circumstances, one year after the end of the accounts. That should be an adequate period if we are to have effective scrutiny and management of expenditure.

As to own resources and budgetary discipline, I take to heart the comments of my right hon Friend the Member for Worthing (Mr. Higgins) and other hon. Members about the necessary imprecision of certain proposals and the fact that to some extent one has to take things on trust. In a sense, that is the nature of the organisation.

I want to enumerate some of the bull points. I choose my words with care. We have a legally expressed discipline of farm spending which is linked to new and restructured own resources operating through the stabilisers, and we have renewal of the rebate system, an important achievement which was difficult to get. I agree that the old Fontainebleau system was not as effective as we had

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hoped, but there is a further strengthening in the mechanism. I urge hon. Members to consider the trend of what has been happening rather than the absolute. We will be disappointed if we always seek absolutes.

With the new system of own resources, based on gross national product, there should be no need for a further increase in Community resources while the present policy mix exists. Provided that no major new policy is introduced, there should be no requirement for further increase. At least that provides a more dynamic basis for a budget than we have had in the past. That gain is worth having.

It is also worth remembering that any system based on GNP helps the United Kingdom, as the United Kingdom's share of GNP is smaller than its share of VAT. We could have done without the 55 per cent. cut-off, but even with that, we benefit from the system. The monetary reserve is better than the exceptional circumstances provision that we had in the past and, as my right hon. Friend said, it works both ways and is specific to the ecu-dollar relationship.

Also important is the year-on-year overall limit on expenditure which was written into the Brussels summit —the sub-ceiling. That is likely to bite quite severely. For example, agricultural expenditure is at a ceiling of 27·5 billion ecu. A number of member states are now pressing for the devaluation of their green currencies in the course of the present farm price fixing, which is at a big round zero, as it has been for a number of years.

The Commission is holding out against that, because a 1 per cent. devaluation of the French franc, which is a major agricultural currency, would add about 120 million ecu to the budget in a full year, and the Commission cannot go beyond the ceiling. The ceiling will start to cause dilemmas, and the United Kingdom has been one of the most insistent countries calling for devaluation of the green pound for its farmers.

Will the stabilisers work? My right hon. Friend the Member for Worthing has pointed out some of the difficulties of the cereals stabiliser. I agree with him that the 160 million tonnes ceiling was too high. It is true that if the 3 per cent. cut applies year on year, it will accumulate to 12 per cent. and eventually will lead to a cut of one third between 1983 and 1993. One is certainly entitled to be doubtful about the long-term effect of such a cut, particularly with an underlying yield increase of between 1·5 per cent. and 2 per cent. and the changes in the green rate which we are demanding and which will counter-balance the cuts as they come into effect.

The wine stabiliser is also important because the price has been cut very severely. The conclusion is that certain countries now have to recognise that they must live in the world market place. A country such as France does not have the option of treating its farmers simply as a sort of social therapy, which some member states seem to consider desirable. It is committed to finding outlets on the world market and therefore has to apply agricultural disciplines.

May I also point out the importance of the depreciation of stocks, and mention one or two brief figures which illustrate some of the effects of the stabiliser mechanism. I have done some research into the level of stocks. The butter stocks are down significantly. The £2 billion specially earmarked for disposals was an extremely expensive operation, but butter stocks are now down to 580,000 tonnes against 1·2 million tonnes a year ago; skimmed milk powder is down to 320,000 tonnes against nearly 800,000 tonnes a year ago, and fewer than 25,000 tonnes of new butter has gone into intervention in the past 11 months.

There is no new accumulation of stock at the moment. More important is the level of world prices which affect the budget. Butter has just been edged up to $1,100 a tonne under the general agreement on tariffs and trade minimum price of $1,000 and there is no reason why that cannot start moving back to the $2,400 per tonne which it occupied some years ago. Skimmed milk powder has moved from $700 to $1,550 a tonne on the world market since June last year and whole milk powder has risen from $800 to $1,500 dollars a tonne on the world market since June last year. Cheese has risen by $400.

Mr. Teddy Taylor: Will my hon. Friend, who understands these things, explain why, in view of the new minimum price, the EEC sold 240,000 tonnes of butter to the Soviet Union at 6p a pound last month?

Mr. Curry: That is because there was a special derogation under the GATT agreement approved by the other major performer on the world market, New Zealand, as some of us heard Mr. Jim Graham, chairman of the New Zealand dairy board, explain about a week ago at the Back-Bench committee. That permitted the Community to sell old butter at a severely discounted price—about one tenth of the $2,400 a tonne which butter has reached as a historical high in the world market. My hon. Friend is correct to say that there was a special discount price for old butter to the Soviet Union. My point is that firmness in world market prices is the best chance of bringing some control to agricultural expenditure.

There are reasons for increasing the structural funds, provided that the money is well spent. At present, it is poor quality expenditure. There is no reason to assume that because agriculture is "bad", the other expenditure is necessarily "good". We need to apply just as firm scrutiny to those funds to ensure that the money is well spent and that it does not simply replace money that has often already been spent by member Governments. The need for scrutiny goes across the entire Community budget.

I hope that when the matter comes to the House fully, hon. Members will feel able to approve the decisions taken at Brussels. They were important decisions and they represent a trend that is going firmly in the direction of budgetary common sense. I hope that I shall have the opportunity of commending them to the House then.

9.20 pm

Mr. Nigel Spearing (Newham, South): One of the reasons why attendance is perhaps not as great as it might be considering the importance of these matters is the complexity with which we are confronted. There are 14 documents and 16 Committee reports. It is no wonder that the Paymaster General, to use a cricketing analogy, kept a straight bat but did not try to make any runs. If he had tried to do so, the real position, which I find alarming, would be plain for all to see.

I shall attempt the almost impossible. There are about 14 reports from the Scrutiny Committee and, in 10 or 12 minutes, I shall attempt to summarise the summaries.

Unless we try to do that, I do not think that we will understand what is happening. If I am wrong on any point, I am sure that the Paymaster General will correct me.

As I understand it, we are discussing four issues. We are discussing a new tax structure for the EEC and, in particular, a new resource. We are discussing whether we can have real budget discipline. We are discussing the budget for 1988 and seeing how, if we wish, we can fund the deficit for this year in the interim. There are other small subsidiary matters, such as keeping our own rebate system in case the Italians upset it. But that is a small matter which we can no doubt get over. I shall take the four major issues in turn.

On the new tax, we keep the old system. All the taxes coming into the country under customs duties are the common Community tariff and are own resources. The same applies to the food levies and the VAT-related payments up to the old 1·4 per cent., which is the Fontainebleau formula. All that stays. In addition, we have the GNP-related tax that will be the increase. According to EEC publication SW3 ABT, published at the time of the Brussels summit, it is going up from about 37,000 mecu in the 1987 budget to a maximum of 52,000 mecu by 1992 on current prices. That is an increase of about 30 per cent.

That will not be achieved in one go. We know that it is going up in different stages. The note issued by the presidency at the end of the Brussels summit—document SN, 461/1/88—says:

"(d) the application of a rate to be determined under the budgetary procedure in the light of the total of all other revenue to an additional base representing the sum of the gross national product at market prices."

On what basis will that percentage be determined? Will it be by a qualified majority vote or will it have to be unanimous? That will determine the extent to which there will be raids upon the tax in years to come.

How much of that is being used up already in the 1988 budget? My calculation is that a great big chunk of it is, but perhaps the Paymaster General will be able to tell us.

What is the new tax to be spent on? First, the structural funds are to be doubled. We start off our discipline by doubling expenditure on one fund. I quote from that same document:

"The contributions of the Structural Funds to the regions covered by Objective No. 1 will be doubled by 1992."

Therefore, we are going to spend double on the European regional development fund, the European social fund and the agricultural guidance and guarantee fund.

That brings us to where the production is coming from and to my second heading—discipline. As the right hon. Member for Worthing (Mr. Higgins) pointed out, it is not going to be much. I summarise the stabilisers programme, which was issued as a great triumph, as at best a means of reducing the rate of increase that would otherwise occur. That is the best way to sum it up. The hon. Member for Norfolk, North (Mr. Howell), a farmer boldly said in the House that he was going to sow more. The stabilisers, of course, will only come into effect a year after the figures are calculated; then there will be a reduction of 3 per cent. on prices for the next year. Even the Minister of Agriculture, giving evidence to the Select Committee, could not put his hand on his heart and say that this would work. He shared the doubts, I think, of those who were questioning him.

Before I come to the 1988 budget, I want to revert briefly to the question, which I rather pooh-poohed, of the importance to the United Kingdom Budget of the Italian question raised by the right hon. Member for Worthing. This is very important. People do not realise how enormous our net contributions would be but for this rebate. Figures provided by the Library show that our contributions for 1987 were something like £4,740 million —over £4 billion—of which the VAT-related contribution was £3,000 million. That is not 1·4 per cent. but 12 to 13 per cent. of the Exchequer income from VAT.

We got back from the agricultural fund £1,422 million, and the net payments before refunds amounted to £2,473 million. We did not get back anything like the amount that we put in. We got another £1,126 million in rebates and had a net contribution of £1,347 million. That shows that an enormous amount of our net payment is relieved by our rebate, and we understand that we may not get it. That is why it is absolutely essential that that rebate mechanism is in place before we agree to any IGAs or any increased tax at all, because power to control that will be power to control the finance that we get from the EEC in future.

I submit that we should not be discussing the 1988 budget with the mechanism. We ought to be discussing the new mechanism, the new discipline and the new tax separately. The only reason why we are discussing them together is that the EEC has run out of money before it has got the new structure in place. In effect, we are being asked in this debate, and may be asked in the future, to approve an estimate before we have approved the tax. That is the essence of the position in which the EEC now finds itself; and, of course, that is quite wrong.

The 21st report of the Select Committee—House of Commons 43 XXI—reproduces the comprehensive table that the Government placed in the explanatory memorandum. The last line states that the budget for 1987 was £25 billion. The draft budget for 1988 is £30 billion —an increase of £5 billion in one year. Is that not about 25 per cent? It also assumes that we shall have the money to pay for the increase and that the taxes will be approved. If not, the money will not be there. The Government want to bridge that £5 billion gap partly by the pre-payments about which we have already heard but whose amounts I do not know. Originally the idea was to bridge the gap with an intergovernmental agreement of £5 billion, of which our contribution was to be about £800 million—a controversial matter.

Today, the Paymaster General revealed new information. He said that we might approve such an intergovernmental agreement in a composite Bill that also approved the draft decision authorising the new taxes. After my intervention in his speech, he went on to justify such a move by saying that there were precedents for it. I do not recall them. The Government got into trouble a few years ago when trying to get through an IGA under the treaty. There was a court case about it and they had to introduce a Consolidated Fund Bill solely for that purpose. This is most controversial because the treaty of Rome says that the EEC should not spend more than its income; but the whole point of the intergovernmental agreement is to enable it to spend more than its legal income. That is illegal under the treaty of Rome. If it were done, any citizen could take the EEC to court.

In this all too brief three hours of debate we are being asked to approve a complex mechanism for a new tax and budget that is, at the moment, illegal. I see no way out of the EEC tangle. Clearly, the commitments to payment rapidly and increasingly exceed the tax that we are being asked to approve. It will bring in up to 30 per cent. more

[Mr. Nigel Spearing]

revenue, but the calls on that revenue will not be controlled because the nature of the common agricultural policy and of the politics of the member states of the EEC makes the equation impossible.

9.33 pm

Mr. Teddy Taylor (Southend, East): I hope that my right hon. Friend the Paymaster General will be able to answer the few questions that I can ask in the brief time that I have.

The small attendance at this debate is due not only to hon. Members finding the subject too complicated, but to a growing realisation that the views of the Government, of Parliament and of hon. Members on European matters are of limited importance. The views that we express have little impact on the amount of money that we shall pour out, and they will have no relevance to what is decided by the House. That is probably one of the main reasons why these important debates are attended by only a handful of people.

Another reason is that in these European debates, which are faithfully attended by the small number of hon. Members who are present tonight, we have been given a series of unfulfilled promises and expectations. I can remember hearing an almost identical debate at the time of Fontainebleau about how the problems were being solved. Yet in one of the many documents before us tonight, the preliminary draft budget, we read:

"This clearly shows that the Fontainebleau arrangement is hopelessly outdated and that it would be illusory and contrary to the resolve to impose a realism in budgetary matters to seek to adhere to it come what may".

In other words, the EC itself says that Fontainebleau was useless and pointless.

I think of the Government's repeated expectations and estimates of our current net contribution. I think of the financial year just ended. Official Government documents show that the estimate for the year just ended was £600 million net. It was then revised to £900 million net, and revised again to £1,500 million net. Most recently, the Prime Minister advised us that it would probably increase by £200 million to £300 million because of the arrangements at the Council just completed. We have had a whole series of disappointments.

I should like to ask the Minister five questions. First, what is the view of the Government or their advisers on the legality of this budget? It seems to me that under article 199 it is just not possible for the agreement arrived at between the President of the Council and the Parliament to proceed, because resources are not there. They have not been agreed or approved by the various Parliaments. What is the Government's view of the legality of the budget, and what can they do about it?

Secondly, can the Government give any estimate of the amount that has been excluded from the figures in the budget because of the special arrangements that were made recently? I refer in particular to the special butter disposal programme. The document says:

"This is a massive programme costing vast sums of money but has been excluded from the 1988 budget because of a special directive task called 801/87 of 16 March 1987."

We know that a whole series of such devices have been introduced to make spending appear to be less than it is. One of the most interesting was the decisions taken 10 days ago by the European Commission to approve without any consultation with Britain a ban on the import of apples. That could result in consumers being forced to eat last year's apple mountain, which is unwanted. This is an important consideration, bearing in mind that this year over 100,000 tonnes of Community apples were disposed of or destroyed at vast expense.

Thirdly, can the Government tell us why, despite the steps that have been taken to reduce surpluses, the estimate for their destruction and disposal has increased to £221 million per week? We have been told about the emergency disposal of stocks and about stabilisers. I cannot understand why the budget should contain an estimate of over £220 million per week, the highest ever, for disposing of butter and other surpluses.

Is my right hon. Friend prepared to put on record his estimate of the percentage increase in the 1988 budget compared with the 1987 budget? What is his estimate of the increase in expenditure on agriculture in the 1988 budget compared with the 1987 budget? What does he think the net contribution of the United Kingdom will be in the forthcoming year? Although we know that my right hon. Friend is an honest and prudent man, he must be aware that the estimates and forecasts given to the House, have all, sadly, proved to be inaccurate, and always in the wrong direction.

The budget and the resources approved by the Government, subject to certain Council considerations, are genuinely disappointing. They are a disaster. They will not cut agricultural production; nor will they stem the increase in spending, which is out of control. Most sadly of all, there is nothing in these measures that will stop the EC from continuing to inflict hardship and damage on Third-world countries by wrecking world food prices.

We have heard many times about the Government's aspirations and expectations, but they must be well aware that by increasing so substantially the resources of the Community, and in the absence of any legal control over about half the budget, they are simply allowing the Common Market to carry on as before—wasting money, inflicting damage on the Third world and having expenditure that is almost wholly out of control.

9.39 pm

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): On behalf of the Opposition, I put on record our disappointment at the lack of involvement, and indeed lack of presence, of a Foreign Office Minister. Some of us remember with fondness the way in which the right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind) led the debates, when he was a Foreign Office Minister, with a panache that is now sadly and sorely missing. The Government, and the Paymaster General in particular, have an increasing credibility gap to fill in these European Community budget debates.

I am not up to continuing the cricketing analogies. The Paymaster General started the debate with a long and complicated, even repetitious, description that seemed more designed to obfuscate than to clarify the issue for the House. The right hon. Gentleman used Euro-jargon and referred to articles and regulations and the technicalities of whether the matter should be dealt with as a composite Bill or through the decoupled approach.

My objective, in the last few minutes of the debate, is to try to simplify the issues. Some of us have been attending these European budget debates for many years. My hon.

Friend the Member for Newham, South (Mr. Spearing), and the hon. Members for Southend, East (Mr. Taylor) and for Clwyd, North-West (Sir A. Meyer) have sat through all those debates.

EC budget debates have become like Oliver Twist, always asking for more, be it non-reimbursable advances —my hon. Friend the Member for Newham, South will remember that phrase—or what are now called inter-governmental agreements, which have been sanitised as IGAs.

The hon. Member for Skipton and Rippon (Mr. Curry) asked for a yardstick. The Opposition's yardstick is not that used by previous Governments, but is based on the promises and guarantees that have been given by this Government. The Prime Minister said on 1 July 1987:

"We have made it clear throughout the discussions that it is necessary, before that question is addressed, to have agreement on effective and binding control over Community spending, including, in particular, agricultural spending."—[*Official Report*, 1 July 1987; Vol. 118, c. 493.]

The right hon. Lady repeated the assurance on 15 February 1988.

The Minister of State, Foreign and Commonwealth Office in one of the most telling and, as is usual for the right hon. Lady, frank interventions, said:

"Our central goal is the achievement of binding controls over spending. Runaway agricultural spending has squeezed all other expenditure. It is now accepted by our partners that the operation of the CAP has been of declining benefit to the very farmers it was meant to help".—[*Official Report*, 18 November 1987; Vol. 122, c. 1100.]

That is what some hon. Members have been saying today. The themes of guarantees and promises constantly come through statements from Government during EC budget debates. First, they say that there should be effective and binding control on expenditure before agreement is reached on the extra spending and funds voted by the House. Secondly, they say that there should be a switch from agricultural expenditure to structural funds and other non-compulsory areas of the budget. It is a pity that Foreign Office Ministers are not with us.

The Foreign Secretary was quoted in *The Independent* on 25 November 1987 as saying that the Government would block a summit agreement on extra revenue for the Community

"unless we make a reality of our rhetoric about stabilising expenditure."

We must examine today whether the objectives set by the Government, not by the Opposition, have been achieved and whether they have made a reality of their rhetoric, to quote the Foreign Secretary. The question is whether we should be contemplating providing further resources, for whatever it is called and however it is described, or whether, later in our discussions, perhaps next month, the matter will be dealt with by a composite Bill or a de-coupled arrangement. The Government's motion asks the House merely to endorse

"the Government's objectives of securing effective and binding control of Community expenditure."

It still remains only an objective after all these years, including my four or five years of personal involvement in these debates.

Has that objective been achieved? I shall use, not my criteria, but the judgment of the Select Committee on the Treasury and Civil Service, so ably chaired by the right hon. Member for Worthing (Mr. Higgins). On page 6 of its report, the Committee quoted the Prime Minister's statement on the Brussels meeting. She said:

"the United Kingdom had made clear, first, that any further increase in Community resources must be accompanied by effective and legally binding controls on expenditure".

The Committee went on to examine whether that had been achieved. In paragraph 10, on page 7, the Committee said:

"We pressed the Paymaster General on the question of the legal enforceability of budgetary discipline."

On pages 8 and 9, the Committee concluded:

"We are not convinced that an inter-institutional agreement is the equivalent of a firm and legally binding text . . . we believe there are still grounds for remaining sceptical about the prospects for budgetary control in the future."

That is the control—control dominated by Members of the Conservative party. On page 5, the Select Committee concluded:

"As yet neither the own resources decision, nor the arrangements for budgetary discipline are in place."

There is none of the promised budgetary discipline. That is why the House should support our amendment.

The report says that budgetary discipline and own resources are "inextricably linked" with the

"provision to preserve the UK's abatement."

A number of right hon. and hon. Members, including the right hon. Member for Worthing, said that the Italian question posed a threat to the United Kingdom's abatement. It puts our rebate at risk. The Paymaster General must answer that question, which has been posed by hon. Members on both sides of the House.

As for switching from agricultural expenditure to spending on other aspects, we see that agricultural spending is still out of control. The Paymaster General was asked at the beginning of the debate to give the percentage, but could not. He was asked again. The answer is in the minutes of evidence to the Select Committee, which show that agricultural expenditure has increased by 19·6 per cent. over the 1987 budget. Expenditure on other aspects has not increased substantially, if at all. Far from being increased, the expenditure which we should like on the social and regional funds, overseas aid and research and development has sometimes been cut.

The hon. Member for Skipton and Ripon challenged the efficacy of some of the expenditure, but he should know that the director of the regional fund has produced a report on new structural funds. Any new structure has had to be postponed because of this budgetary problem and the inadequacy of resources. We want money to be put in to help the declining areas, not just of Britain—for example, in the steel industry, which was described by my hon. Friend the Member for Motherwell, North (Dr. Reid) —but of other parts of the Community. Instead of declining, the budget has increased. Instead of being a smaller percentage of the Community's resources, agricultural spending is larger.

In an excellent speech, my hon. Friend the Member for Motherwell, North said that the vision of the founding fathers of the Community was being lost in such debates. The vision of the potential for political co-operation between Community members is being lost. The potential for improving the employment situation, through an integrated expansion of our economy, is being lost as a result of the detailed debates on these issues.

The United Kingdom Parliament will be asked to contribute more to a budget of doubtful legality. It will be asked to pay more when agricultural expenditure is clearly out of control. We will be asked to pay more when the British rebate is still in danger, the Government's promises remain unfulfilled and the pledges are seen to be hollow. I hope that Conservative Members, including the hon.

[Mr. George Foulkes]

Member for Southend, East and the right hon. Member for Worthing, who have criticised the Government and their failure to fulfil those promises, will take their courage in their hands, as they have done on previous occasions, and join us tonight in the Lobby to support our amendment.

9.50 pm

Mr. Brooke: It may be a sign of masochism, but, as ever, I have enjoyed this evening's debate. I am grateful to my hon. Friend the Member for Skipton and Ripon (Mr. Curry) for reminding us of the performance of the Labour party when it was in power. I was constantly reminded of that during the speech of the hon. Member for Vauxhall (Mr. Holland).

My hon. Friend the Member for Skipton and Ripon asked a question which caused me to remember the application of Parkinson's law to the Commission's behaviour. This was reflected by the hon. Member for Vauxhall, who disregarded the documents that we are considering this evening and constructed his own agenda. He was also following the other principle of Professor Parkinson—that the nuclear device goes through on the nod and one then has a long argument about the bicycle shed.

The whole of the hon. Gentleman's argument was devoted to the document on financial engineering. I do not want to decry that document. It was put in front of us at ECOFIN in May 1987 and included in translation the words "financial engineering". The hon. Gentleman said that there was adequate provision throughout the Community, but plenty of Community countries disagreed with the proposition relating to financial engineering when it was brought forward.

Whenever I read about the Labour party's attitude towards social engineering in future, I shall seek to substitute the words "social mechanisms" and see whether they work. As to the remarks of the hon. Member for Vauxhall about the Glamorgan woman's workshop, I assure him that I shall bring that matter to the attention of my right hon. Friend the Secretary of State for Employment.

The hon. Member for Vauxhall gave his King Charles head of a multinational company another good airing. He criticised the logic of my speech—and I was grateful to the hon. Member for Newham, South (Mr. Spearing) for disagreeing with him about that. The hon. Gentleman frequently contributes to these debates and is familiar with the issues with which we have to deal. I was addressing the evening's business as set down on the Order Paper while the hon. Member for Vauxhall rambled around his well-loved prejudices.

My right hon. Friend the Member for Worthing (Mr. Higgins) asked me a number of questions. He asked whether the prospective demand for a 12(2) overdraft was due solely to cash flow problems. We have not received a 12(2) request so I cannot give a definitive reply, but the Commission's cash forecasts clearly show a cash flow problem arising from normal transactions over the next few weeks. I acknowledge the rules that we must observe in considering that overdraft and assure him that we shall continue to observe them.

My right hon. Friend asked on what basis the presidency agreed to the budget in Strasbourg last night. Herr Tietmeyer, the president of the Budget Council, agreed to a commitment about 2 per cent. above the limit set by the Parliament's statutory margin, on the basis of his interpretation of a mandate, which he was given at the Budget Council on 28 April, and to which the British Government did not subscribe. My right hon. Friend asked about the question raised by the Italians on the United Kingdom's abatement. The size of our abatement is not at stake. The point raised by Italy was how the other member states would finance the United Kingdom's abatement.

Finally, my right hon. Friend asked about GNP statistics—a question which he also raised with me in the Select Committee. I agree with him, and the European Council agreed that there should be a directive ensuring that the same definition of GNP is applied in all member states for own resources purposes. A draft directive has now been proposed and is under discussion in the Community.

The hon. Member for Newham, North-East (Mr. Leighton) intervened briefly with the word "never", which he repeated on several occasions. My experience, particularly of these debates, is that that is a dangerous word to use.

The hon. Member for Motherwell, North (Dr. Reid) showed a welcome interest in the Court of Auditors, but, given his preoccupation with it, perhaps he had not noticed the expansion of the social fund which was agreed in the Brussels Council's conclusions. He and my hon. Friend the Member for Mid-Worcestershire (Mr. Forth) suggested that so-called cash flow problems are a euphamism for overspending. There is a genuine distinction. For any level of overall annual spending, cash needs are bound to fluctuate from month to month as payments become due on different items at different times. That is why there are routine arrangements for managing own resources contributions in this way.

My hon. Friend the Member for Southend, East (Mr. Taylor) and others asked about agricultural expenditure being 25 per cent. higher in 1988 than in 1987. I wholly agree with them about the need to control agricultural spending, but it is somewhat misleading to talk of a 25 per cent. increase in 1988. Because of the introduction of delayed payments, 1987 was in effect a 10-month agricultural year. Taking account of that, the underlying increase in 1988 is less than 7·5 per cent.

Mr. Foulkes: Does that mean that the Minister can give a clear and categorical guarantee that agricultural expenditure for 1989 will not increase over that for 1988?

Mr. Brooke: The hon. Gentleman, who has studied these matters, knows perfectly well that there is a provision that the agricultural guideline will rise by 74 per cent. of the growth in Community GNP—and that is calculated to run at 2 per cent.

The hon Member for Truro (Mr. Taylor) betrayed the whole thesis of the Liberal party when, in response to an intervention from me about the Liberal party's attitude to VAT, he said that it had to have an ability to adjust. Many of us have watched the Liberal party adjusting literally between morning and afternoon.

I thank my hon. Friend the Member for Clwyd, North-West (Sir A. Meyer) for his kind words. Our noble

Friend Lord Cockfield introduced the proposals on fiscal harmonisation. Where Council Ministers have not disagreed with them in principle, they have found massive disagreements in detail. If my hon. Friend is counselling us to countenance reality, he must study the reactions to these proposals throughout the Community.

My hon. Friend the Member for Skipton and Ripon, in a knowledgeable speech, drew attention to what happened under the Labour Government. Given our success in securing the abatement, it is worth remembering that the result of the 1975 financial mechanism was not a single ecu. My hon. Friend referred to VAT being capped at 55 per cent. of GNP as being to the disadvantage of the United Kingdom. It is in fact of further benefit to the United Kingdom, as is the introduction of the fourth resource based on GNP, because it reduces the contribution before abatement which we would otherwise have paid.

The hon. Member for Newham, South asked how the rate of the fourth resource would be set. The rate of GNP-related contributions required to balance the budget will reflect the expenditure decisions taken by qualified majority voting in the annual budgetary process, just as the annual rate of VAT contributions is determined under the present system.

The hon. Member for Newham, South asked how much of the new GNP-based own resource will be used up in 1988. The 1988 draft budget involves an intergovernmental agreement corresponding to the amount that would be raised this year from the new fourth resource. This implies a rate for the new fourth resource of around 0·2 per cent. of Community GNP. Total own resources in the 1988 draft budget are equivalent to around 1·1 per cent. of Community GNP. The hon. Member for Newham, South said that we might not get our abatement. There are no grounds for that belief. Our 1988 abatement is in the 1988 budget agreed yesterday. Our new abatement mechanism agreed at the Brussels European Council has not been challenged and is fairly incorporated in the proposed own resources decision.

The hon. Member for Newham, South and my hon. Friend the Member for Southend, East said that the 1988 budget was illegal. It is true that the treaty requires that the budget should balance. That was why it was agreed at the European Council that member states would make non-repayable advances, in order to balance the budget. So long as there is an IGA in place to balance the budget, the budget is valid.

My hon. Friend the Member for Southend, East asked whether there were any documents to suggest that the rate of growth of agricultural expenditure——

Mr. Teddy Taylor: When did the European Council agree the IGA?

Mr. Brooke: The European Council and the Budget Council following upon it agreed to agree in principle an IGA. It is perfectly true that an IGA must still be agreed, and the question of the 1988 budget will continue to be open until it is confirmed that an IGA has been finally agreed.

Mr. Taylor: It has not been agreed, then?

Mr. Brooke: Having regard to the enthusiasm of the House to bring these matters to a conclusion, I shall respond to my hon. Friend the Member for Southend, East at a later stage.

In conclusion, I want to refer to the speech made by the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes). There is no pleasing the Opposition. I well recall Mr. Deakins, a former Member of this House—we miss him from these debates—constantly criticising Foreign Office Ministers for not allowing a Treasury Minister to take part in a debate. I thought that the speech made by the hon. Member for Carrick, Cumnock and Doon Valley was noisy—perhaps to cover the weakness of some of his arguments and to take us away from the experience of the Labour Government. I would agree with the hon. Gentleman and the Select Committee on Treasury and Civil Service that an inter-institutional agreement is not the equivalent of a legally binding instrument, but the proof of the pudding will be in the eating as we see how the arrangements secured at the Brussels Council evolve in future.

Question put, That the amendment be made:—

The House divided: Ayes 157, Noes 213.

Division No. 315] **[10.2 pm**

AYES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Archer, Rt Hon Peter
Ashley, Rt Hon Jack
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bermingham, Gerald
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Cook, Robin *(Livingston)*
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cummings, John
Davies, Rt Hon Denzil *(Llanelli)*
Dewar, Donald
Dixon, Don
Doran, Frank
Dunnachie, Jimmy
Dunwoody, Hon Mrs Gwyneth
Eadie, Alexander
Eastham, Ken
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Foster, Derek
Foulkes, George
Fraser, John
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Win *(Bridgend)*
Hardy, Peter
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Illsley, Eric
Ingram, Adam
John, Brynmor
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Lamond, James
Leighton, Ron
Lestor, Joan *(Eccles)*
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum A.
McFall, John
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
Madden, Max
Marek, Dr John
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meale, Alan

Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Nellist, Dave
O'Brien, William
O'Neill, Martin
Parry, Robert
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Ruddock, Joan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Turner, Dennis
Wall, Pat
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Michael *(Doncaster N)*
Wilson, Brian
Winnick, David
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Allen McKay.

NOES

Alexander, Richard
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Baker, Nicholas *(Dorset N)*
Biffen, Rt Hon John
Boscawen, Hon Robert
Boswell, Tim
Braine, Rt Hon Sir Bernard
Bright, Graham
Brooke, Rt Hon Peter
Butler, Chris
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Coombs, Anthony *(Wyre F'rest)*
Cope, John
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Devlin, Tim
Douglas-Hamilton, Lord James
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Greenway, John *(Ryedale)*
Gregory, Conal
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Howells, Geraint
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Jack, Michael
Johnson Smith, Sir Geoffrey
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Key, Robert
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Lawson, Rt Hon Nigel
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Luce, Rt Hon Richard
Lyell, Sir Nicholas
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Morris, M *(N'hampton S)*
Morrison, Hon Sir Charles
Morrison, Hon P *(Chester)*
Moss, Malcolm
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Nicholson, David *(Taunton)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Patnick, Irvine
Patten, Chris *(Bath)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Sackville, Hon Tom
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Sims, Roger
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stradling Thomas, Sir John
Summerson, Hugo
Taylor, John M *(Solihull)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trippier, David
Vaughan, Sir Gerard
Waddington, Rt Hon David
Waldegrave, Hon William
Walker, Bill *(T'side North)*
Ward, John
Wardle, Charles *(Bexhill)*
Warren, Kenneth
Watts, John
Wheeler, John
Widdecombe, Ann
Wiggin, Jerry
Wilkinson, John
Wilshire, David
Wood, Timothy
Woodcock, Mike
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Richard Ryder and
Mr. Stephen Dorrell.

Question accordingly negatived.

Main Question put and agreed to.

Resolved,

That this House takes note of European Community Documents Nos. 10552/86 and the un-numbered Explanatory Memorandum submitted by the Treasury on 18th March 1987 on the 1987 Community Budget, the un-numbered Explanatory Memorandum submitted by the Treasury on 18th March 1987 on carry-over of appropriations from 1986 to 1987, 6037/87 on the 1987 Budget situation, 6822/87 and 7552/87 on Supplementary and Amending Budget No. 1 for 1987, 6048/87, 7211/87, COM(87)240, COM(87)677 and COM(88)81 on the 1988 Preliminary Draft Budget, 4766/88 on the 1988 Draft Budget, 4051/87 on financial engineering, 5266/88 on Own Resources 5282/88 on amendments to the Financial Regulation and the un-numbered Explanatory Memorandum submitted by the Treasury on 10th May 1988 on budgetary discipline; and endorses the Government's objectives of securing effective and binding control of Community expenditure.

Anglo-Polish Relations

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

10.16 pm

Mr. Anthony Coombs (Wyre Forest): Let me say first how grateful I am, as are a number of other hon. Members, for the opportunity to raise matters concerning the affairs of Poland and its relations with the United Kingdom—not only because I know that these matters are of interest in particular to you, Mr. Speaker, and to a number of other distinguished Members of the House, as evidenced in various early-day motions and an Adjournment debate in January, and not only because I know that they are of great interest to Poles in this country and of course in Poland, but because the debate deals with the future of Poland, the Polish people and the principles of freedom in Poland. That, of course, has an impact on the future stability of central Europe, and on East-West relations in general.

The tragedy of Poland is the tragedy of a proud and independent people who are ruled without their consent. Although they have a great cultural and artistic tradition, despite their intellectual achievements and abilities and although they have a land rich in minerals and a large industrial base, they have been so stifled, oppressed and bureaucratised by the machinery of a Communist state that their democratic freedoms have vanished. Law, instead of becoming an instrument of civilised values, has become an instrument of oppression. Now we hear that even the official trade unions—excluding Solidarity—have had their activities outlawed, and the standard of living has sadly fallen to what can only be described as Third-world levels.

Infant mortality in Poland is the highest in Europe, and life expectancy is the lowest. The prices of food have risen by some 40 per cent. in the past two months alone. Essentials such as meat, cotton wool and even razor blades are rationed, and it has been calculated that the residual monthly income, after basic housing expenses, of a family of four with both parents working would not even cover the cost of one pair of winter shoes.

Most irresponsible of all—and most serious of all—so bad has been the organisation of Poland's mineral resources and its industry that no less than one third of the country is now classed as an area of ecological emergency. The very soil of the country is being slowly poisoned.

Why is this? The simple answer is that the economy is being ossified under an archaic and arthritic Communist system. Subsidies, price controls and a nomenclature system mean that three-quarters of the country's managers care more for their party perks than the efficiency of the enterprise they are charged to run.

The results are plain. The Centre for Research into Communist Economies shows that inflation is running at 60 per cent., that coal resources are being heavily wasted and that the external debt is £37,000 million, which is not only 50 per cent. of the gross domestic product but second only to Russia in the Communist world. Possibly most damning of all, despite the fact that there is 25 per cent. more industrial equipment in the country than there was in 1980, industrial productivity per man has fallen by one fifth. It is small wonder that, since 1980, no fewer than 700,000 Poles have decided to leave their homeland.

What is the Polish Government's response? Officially they talk of democratisation, of economic reform and of the need to reduce subsidies and encourage private enterprise, but the reality is that, because they do that without the basic consent of the people, the system is only kept in place by oppression, by a denial of basic freedom and human rights, and by arbitrary surveillance and imprisonment of those who dare to question the regime and even of their children.

I am pleased to inform the House of the release of Hanna Lukowska-Karniej, Andrzej Kolodziej, Jan Andrzej Gorny and Kornel Morawiecki, all Solidarity supporters. However, all those people were imprisoned on trumped-up charges ranging from non-payment of maintenance through misappropriation of identity cards to completely fictitious acts of terrorism.

Despite this, the events of the last month show us that, if anything, the duplicity and political violence of the Communist regime in Poland have intensified. Despite assurances which were given to the Church,Mr. Morawiecki has not been allowed back from exile into his own country. No fewer than 70 Solidarity leaders and two thirds of its executive committee have been arrested. Students at Cracow university and eleswhere have been brutally beaten. Probably most heinous of all, the Communist authorities merely use the Catholic Church as a convenient intermediary for trying to settle, in its words, "a peaceful strike" at the Nova Huta steelworks in Cracow. Then, without justification or notice, they attacked the steelworks with stun grenades, tear gas and clubs in a horrifying and gratuitous display of violence. If anything demonstrates the cynicism, duplicity and contempt for democratic argument of the Polish regime, it was those events.

What can the British Government do to help reverse the position in Poland and the dangers it undoubtedly possesses for central European stability, especially in view of the Prime Minister's intended visit to Poland in October? The first thing to remember is that, although it is important, in the words of the Minister of State at the Foreign Office recently,

"to express our views strongly to the Polish authorities on human rights and to deplore the use of political violence",

and although it is important to use channels like the British Council in Warsaw, the World Service and organisations such as Medical Aid for Poland and the Jagiellonian Trust in this country, mere exhortation is not enough to produce reform within the Polish Government.

Secondly, whatever the public position of the Polish Government may be—and there are signs that certain Politburo members, especially the newer ones, are becoming aware of that—they must recognise that perestroika and attempts to reform in Russia make Mr. Gorbachev more sensitive and vulnerable to unrest in Soviet satellite countries than he has ever been before.

There are two reasons for that. First, he knows that any need for direct intervention in those countries by the Soviet Union would kill detente, which is so vital to his economic reform programme. Secondly, any need to do so would give the hardliners in Moscow precisely the arguments they want to make sure that the perestroika programme no longer takes place.

Equally, the Polish Government must inwardly be sensitive to the same issues. If they are to carry through a programme of economic reform, including the abolition of subsidies, freeing up the supply system by introducing

[Mr. Anthony Coombs]

more private sector businesses and restructuring the economy, the Polish Government and opposition recognise that that will involve a necessary austerity. The short-term effects of that austerity, if it is to be peacefully carried forward, must be mitigated. If they are to be mitigated, the Polish Government urgently need foreign credits, and that means a successful restructuring of their official foreign debts—on which they have paid no interest since 1982—more foreign investment, and more aid.

That presents the British Government with a unique opportunity to persuade its EEC, American and other partners in finance that there can be credits and there can be aid in generous quantities for Poland, but that it will be possible only on certain conditions. Those conditions must be made absolutely plain.

The first condition is that the Polish Government must ensure freedom of association and political opinion within Poland and from without into Poland. Secondly, all political prisoners must be released, and those who are presently in exile must be allowed to return home. Thirdly, the legitimate rights of trade unions and other opposition activists must be recognised and respected. Fourthly, and possibly most important, a genuine and continuing dialogue on economic and political reform must be started and continued with Polish people.

Such a course of action is realistic and imaginative. It would help to restore freedom to the Polish people, and prosperity for their country, inevitably it would mean that relations between Britain and Poland would quickly improve, and I believe that it is a course of action which the Government ought to follow, as it would offer hope for the Polish people who so desperately seek it.

10.27 pm

Sir Bernard Braine (Castle Point): I am grateful to my hon. Friend the Member for Wyre Forest (Mr. Coombs) for providing me with an opportunity to say a few words about our relations with Poland.

The Minister will know of my interest and involvement. I am of the generation that had good reason to be grateful for Polish courage and sacrifice during the second world war. I am of the generation that felt and still feels ashamed of the way in which our Polish comrades were abandoned by the West in 1945. I hold to the view most strongly that there can be no lasting detente between East and West until Poland, Czechoslovakia, Hungary and all the captive nations of Eastern Europe are free to determine their own destiny. That was put so eloquently by my hon. Friend that I need not say anything more about it.

It is safe to say, however, that I thought that it was also the view of Her Majesty's Government. I applauded the robust way in which my right hon. and learned Friend the Foreign Secretary earlier condemned the brutal suppression of Solidarity and the imposition of military rule. However, of late that seems to have changed somewhat. I was astonished to learn from *The Sunday Times* of 8 May that my right hon. and learned Friend has greater sympathy with General Jaruzelski in the Polish crisis than with the Solidarity movement. He believes, we were told, that Jaruzelski should be regarded as a patriot for safeguarding his country against Russian military intervention. Really—I thought that the Afghans had more to do with it than that. The Soviets could hardly wage war on two fronts or suppress two nations at the same time.

I am deeply concerned about that statement. The recent wave of unrest in Poland was brutally suppressed by the police. There were numerous arrests, serious injuries, heavy fines and dismissals from work, and Solidarity itself remains suppressed. I suggest that there is only one way forward for the Polish authorities, and Western Governments should be urging it repeatedly—namely, to borrow a little glasnost and perestroika from Mr. Gorbachev, who sees more openness as the means of securing real reconstruction. They should recognise that there is no way out of the mess that Communist rule has made of Poland except by recognising the natural aspirations of the Polish people to be masters in their own house.

There are two things that Her Majesty's Government can do. First, they can make it absolutely plain, as my hon. Friend the Member for Wyre Forest has done in his own way, that economic aid will be forthcoming only if the Polish Government seek a genuine partnership with Solidarity and the opposition. Secondly, they should make it plain that the inhumane treatment of Polish leaders—such as Kornel Morawiecki, who, after long imprisonment without trial, was deported without the right to return to his country—must end if the Polish Administration are to be treated as civilised. I beg my hon. Friend the Minister to make it absolutely clear that the West is ready to help the long-suffering Polish people, but only on the condition that their just aspirations are met and that the persecution ceases.

10.31 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar): This is the second time in less than six months that Poland has been chosen as the subject for an Adjournment debate. Poland is never far from the centre of international events. During recent weeks it has once again occupied the headlines in unhappy circumstances.

I congratulate my hon. Friend the Member for Wyre Forest (Mr. Coombs) on his choice of subject for the debate, which is of real and continuing importance. I am delighted that my right hon. Friend the Member for Castle Point (Sir B. Braine) has once again joined in the debate on Poland. Everybody in the House very much respects his long-term commitment to the Polish people and we recognise the considerable amount of time that he devotes to the interests of the Polish people. I recognise that because I know that he was in contact with my office last week on behalf of Mr. Morawiecki. We are delighted to say that we have been able to grant him a visa to come from Vienna to the United Kingdom in what I think my right hon. Friend will agree was rapid time.

In the House on 11 January, my hon. and learned Friend the Member for Putney (Mr. Mellor) reviewed Britian's relations with Poland and developments since the emergence of Solidarity in 1980 and 1981. He acknowledged the importance of Poland in East-West relations and the breadth and significance of links between our two countries. Those links are deep and lasting. Their origins lie in distant and recent wartime history. They are

strengthened by commercial, cultural and personal ties that set our relations with Poland apart, in many repects, from those with other countries in eastern Europe.

The political and economic conditions in Poland are not, for hon. Members or for many of their constituents, matters of cold theory. They are matters of immediate practical concern. I class myself as one who is affected by that, because until recently I had the benefit of a Polish uncle.

As my hon. and learned Friend said in the debate in January, we were glad to welcome the Polish Foreign Minister, Professor Orzechowski, to London in December. That visit acknowledged what seemed like a new and welcome approach by the Polish authorities: a more resolute attitude towards the many challenges that confronted their country. All those in prison on clearly political charges had been released in September 1986. Plans for economic reform had taken more coherent shape and the need for political reform was at last officially acknowledged.

I should like now to say a few words about the Polish economy and about the Government's approach to Poland's economic difficulties. The Polish economy is burdened with a growing external debt that now amounts to about $39 billion. It is also burdened with low productivity, as my hon. Friend the Member for Wyre Forest said, and by excess demand. Recovery of the economy will come about only through a determined attack on the economic causes of those problems. It will also come about only if the Polish people can be brought to understand the need for sacrifices and can be persuaded that those sacrifices are worth while.

Our long-standing trade links and the sizeable Polish community in Britain provide a solid base for further expansion of trade between our two countries. Despite Poland's current financial difficulties, worthwhile opportunities exist for increasing trade in a number of sectors. But future trade prospects must depend on the scale and direction of Poland's economic recovery. A Polish economy restored to vigour and success is in British, as well as Polish, interests.

We recognise that long-term Western assistance will be needed for this recovery. Britain strongly supports the principle of an IMF programme for Poland, subject to that programme's terms being satisfactory. Once an IMF programme is in place, it is possible to envisage new forms of co-operation—for instance, International Bank for Reconstruction and Development co-financing schemes and fresh medium and long-term credits, targeted on export-earning projects—but we first need the assurance that sound economic policies will be pursued with the IMF's seal of approval. Ambitious plans for massive Western economic assistance to Poland, in the absence of these conditions, are not realistic.

Hon. Members have suggested, tonight and on previous occasions, that political conditions should be attached to decisions in these economic areas. Frankly, I do not agree. Polish economic recovery will come about only as a result of motivation and persuasion, not of coercion. The same vital principle applies to relations between Western countries and the Polish authorities. It would be an error to prescribe persuasion as a solution to Poland's internal problems, and to seek by contrast to use political coercion as a means of solving Poland's economic difficulties. Thus, Western official debt relief for Poland is negotiated in the Paris Club on technical, rather than political, grounds. Those are the same criteria as are applied to non-Communist countries.

Political factors do not determine the Government's approach to new credits, either. We favour a step-by-step approach to the normalisation of financial and credit relations with Poland, starting with the resumption of short-term credit cover. After that, progress will depend upon Polish performance in honouring existing debt-restructuring agreements. A steady but critical dialogue with the Polish authorities is needed, from within and outside Poland.

My hon. Friend the Member for Castle Point spoke about an article in the *Sunday Times* on 8 May. That article was not an accurate reflection of the views of my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs. To learn about those views it is necessary to refer to the Foreign and Commonwealth Office statement of 6 May, which commented on what were then recent events. That statement deplored the use of police violence in pursuing the objective of reform and called upon the Polish authorities to recognise the importance of individual liberties and freedom of association.

That national statement of 6 May was followed on 10 May by a statement on behalf of the Twelve by the Federal Republic of Germany in its capacity as current President of the European Community. That statement reminded the Polish authorities of their international commitments to human rights and called for the release of those arrested during the recent strikes.

My right hon. and learned Friend the Foreign Secretary made clear in yet another statement on 12 May, which is available in the Library, his view that the Polish Government's plans for economic reform deserved support because they offered the prospect of a better life for the Polish people. Those economic plans involve short-term sacrifices but, of course, they will have little effect unless the Polish people are prepared and willing to support them.

Those statements show the extent to which *The Daily Telegraph* was in error when, on 13 May, in a leading article, it accused the Foreign and Commonwealth Office of failing to encourage dissident groups in eastern Europe and of maintaining—it is almost unbelievable that *The Daily Telegraph* said this—a "stony silence" during the recent crisis in Poland.

That leading article was a deplorable distortion of the Government's policy. Getting the Soviet Union and its allies to live up to their human rights commitments is fundamental to the Government's policy. As my hon. and learned Friend the Minister of State, Foreign and Commonwealth Office said in a speech at the CSCE review meeting in Vienna last month, we are not prepared to leave the Vienna conference without real progress on human rights. My hon. and learned Friend made it clear that what our Soviet colleagues have called a "common European home" could not be achieved with barbed wire in the garden and secret policemen in the cellar.

The Government are worried that once again prisoners should be held in Poland for political reasons. As my right hon. and hon. Friends have said, recent arrests and sentences have included senior members of Solidarity. Some of those imprisoned have been released, and that is welcome. As my hon. and learned Friend said in January,

[Mr. Tim Eggar]

there are some people in prison in Poland on criminal charges, but arguably there is a political element in the charges.

The Government share the concern that my right hon. and hon. Friends have expressed about imprisonment in Poland for political reasons and on many occasions we have made those concerns clear to the Polish authorities. Such imprisonments cannot but damage prospects for improved relations between Britain and Poland. They are an obstacle to Poland's plans for effective economic reform. They represent a return to the discredited policies of the past.

As the House knows, my right hon. Friend the Prime Minister has accepted an invitation to visit Poland. She hopes that circumstances will make it possible for the visit to take place before the end of the year. In her discussions with General Jaruzelski and the Polish leadership, as well as with Mr. Lech Walesa and representatives of independent opinion, she will, I am sure, wish to reflect the concerns that have been expressed in this debate. In particular, she will wish to refer to the essential relationship between political and economic reform, and I am positive that she will stress the need for human rights to be respected in Poland.

The pressures within Polish society have once again burst to the surface in recent weeks. There is no lack of energy, talent and commitment in Poland, if only they can be harnessed, but the Polish people have shown again and again that they will not put their shoulders to the wheel unless their interests are taken into account. For the reasons that I have given, I do not believe that Governments outside Poland should set political conditions for economic or financial help, but Poland's leaders must recognise that they will never get Poland's economy back on its feet without consultation, dialogue, and respect for individual freedom and initiative. I hope that the events of recent weeks will convince those leaders that that is the only path to the economic revival that we in this country most earnestly wish to see.

Question put and agreed to.

Adjourned accordingly at Fifteen minutes to Eleven o'clock.

House of Commons

Friday 20 May 1988

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PETITION

Grandparents (Adoption Proceedings)

9.35 am

Mr. Ray Powell (Ogmore): I have pleasure in presenting to the House a petition signed by 6,530 residents of the United Kingdom asking the House to give careful consideration to proposals to introduce a law to enable grandparents to have the right of access to their grandchildren and to be represented at court and social services hearings for the adoption or care of their grandchildren. This right is not now afforded to them by law.

My petition is similar to the one that I presented to the House a month ago containing 8,500 signatures.

I believe that it is necessary for the House to consider this very important measure in order to stop the heartache and suffering of grandparents and their grandchildren.

The petition is also signed by Gareth Wardell of 67, Elder Grove, Carmarthen, Dyfed.

To lie upon the Table.

The Arts

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Boscawen.]*

9.36 am

The Minister for the Arts (Mr. Richard Luce): The House has debated the arts every year since I became Minister for the Arts in 1985. It is the second year running that we have debated this subject in Government time. This is a welcome demonstration of the growing public and parliamentary interest and a clear indication of the Government's support for the arts.

As Arts Minister for nearly three years, I have made weekly visits to all parts of the country. I have been privileged and fortunate to see, as perhaps no one else can, the development of the arts. I have a very clear impression of the flowering of the arts in all regions and in all art forms. I shall give the House brief glimpses of the variety of arts activities that I have seen. The performances of the city of Birmingham symphony orchestra led by Simon Rattle, the attraction of the flourishing Chichester theatre, the Royal Shakespeare Company's performance for the first time at Grimsby, and the Sadlers' Wells ballet in the Isle of Wight are all vivid memories in my mind.

I recall seeing the Ruthin craft centre in north Wales, where the craftsmen both work and sell, the new Queens Hall arts centre in Hexham and the Beaford arts centre in Devon. I have seen, too, at Dundee the way in which the community has improved its environment through artistic activity.

To demonstrate the scale of expansion taking place, there was one day in March when the foundation stone of the Sainsbury wing was laid at the national gallery and simultaneously I performed the ceremony of the completion of an extension to the Imperial War Museum's building. I have opened, for example, the new library at Ross-on-Wye, the Citadel arts centre at St. Helens, jointly funded by a Pilkington Glass charitable body and the local authority, and the entirely new Hertfordshire heritage centre—a voluntary body set up to raise money to help preserve Hertfordshire's heritage. I shall be attending next week the opening of the new Tate building in Liverpool, following last year's opening of the new Clore gallery at the Tate in London.

Abroad I have seen the excellent work of the British Council at, for example, the exhibition of Henry Moore's work in India and the inaugural celebrations of Berlin as European city of culture, to which there will be a large British contribution next year.

As we move towards the last part of the century we see a growing number of people wanting to enjoy and participate in the nation's artistic life. As my right hon. Friend the Prime Minister said recently:

"Life is not whole unless the arts are a part of it".

The role of the Arts Minister is to create the best possible climate in which the arts can flourish—a climate which encourages artistic excellence and the accessibility of all the arts to the greatest number of people. The way I work to achieve those objectives is primarily by plural funding—a partnership in which moneys from the taxpayer and the private sector work together for the benefit of the arts. This not only helps the arts financially, but ensures their greater freedom and integrity. The more self-reliant they are, the healthier will the arts be.

[Mr. Richard Luce]

There are an increasing number of leaders in the arts world who are taking every opportunity to bring about these changes. This is in stark contrast to those last remaining anachronistic figures from the past who cannot accept them and for whom the concept of total dependence on the state was paradise. Their antics are like the last thrashings of the tail of a dying crocodile. That era is over.

Mr. Norman Buchan (Paisley, South): I admire the right hon. Gentleman's poetic analysis of those who are in favour of public, social and community support for the arts, but who are the people whom he is describing as being interested only in that kind of support, rather than in encouraging people to attend and, for that matter, pay for the arts? It is nonsensical.

Mr. Luce: The hon. Gentleman knows the range of people about whom I am talking.

I announced at Newcastle in July of last year the start of a long-term plan for the funding of the arts based on that principle, and my three-year financial settlement of last November represents an important practical step towards its implementation.

My intention is, first, to keep up the real value of public support for the arts, which is why the settlement gives a 17 per cent. increase over the next three years, and, secondly, to encourage arts bodies to use that public support to stimulate the growth of private funding. My settlement gives the arts bodies a framework in which to do that. It specifies definite figures for each body over not just one year but three years. It provides, in most cases, a relatively generous grant in the first year. This gives institutions elbow room and time to draw up plans to become more self-reliant.

The new policy of incentive funding involves the use of taxpayers' money as a catalyst for the expansion of total income. My main object is to increase the total resources available to the arts; to see the proportion provided by the private sector rise; and to reward, not to penalise, success. To help increase access to the arts, which I regard as important, I have earmarked specific sums of money for the touring plans of the arts institutions, of which I shall say more later.

The artist is increasingly realising the importance of his audience. The box office—in its various forms—is important, not just in financial terms, but because it is one of the artist's tasks to mirror and interpret the concerns of his times. His is not merely a private world. He depends on communication for his raison d'etre. Some of our greatest artists—Sir Walter Scott and Charles Dickens being notable examples—have been those most conscious of the market. The artist's creative sustenance, as well as his financial support, come from his fellow men. It is, therefore, important to remember his dependence on the public. That is why I am promoting and encouraging measures to improve the marketing, management and general professionalism of arts organisations.

The arts marketing scheme launched in December 1986 taught us a lot about the demand for and the variable standards of arts marketing. On 25 February this year I announced new initiatives to remedy some of the problems identified: training—especially for senior management—and a distance learning package capable of reaching the smaller arts bodies. Marketing and management help for the arts will be further strengthened by a project designed to encourage greater business involvement in the arts. I shall shortly be making an announcement about this in collaboration with the Association for Business Sponsorship of the Arts and the business community.

I shall briefly examine some important developments in the arts. The Arts Council has received a funding increase of 13 per cent. in real terms since 1979—33 per cent. including abolition money. I warmly welcome the way in which the council, led by Sir William Rees-Mogg and the director-general, Luke Rittner, is embracing the new national climate of enterprise and encouraging arts organisations to become part of it. The council always has harsh choices to make, even with increased resources, and has fulfilled this task with imagination and sensitivity.

The council has launched an incentive funding scheme which aims to secure £2 of private money for every £1 from the taxpayer. Over three years this should generate an additional £25 million of private sector money. Applicants must demonstrate a sustainable increase in private support from various sources—above all, the box office. The scheme is intended to assist the small arts organisation as well as the large, the innovative as well as the well-established. The council's touring initiative, for which £1·5 million has been set aside in 1988-89, has already produced increases in touring in all areas of art, opera, classical ballet, theatre, literature and orchestras. I welcome, too, the establishment of Upstart, a joint venture by the Arts Council and the private sector for the promotion of regional touring. All this will help to improve public access to high quality arts.

I should like to draw the House's attention to the positive thinking and efforts of the regional arts associations. They have long been a key factor in encouraging local arts activity, and their role continues to grow. They have recognised the new climate of incentive funding and shown their willingness to work with it. In recent years there has been a substantial shift of resources towards the regions. In this context I welcome the important role that the local authorities are playing, showing an increased concern for partnership and involvement in the arts.

The British film institute continues to do an important job and I welcome its development of the museum of the moving image due to open this autumn on the south bank. This is privately funded—largely through the generosity of Mr. John Paul Getty—and will be self-financing. I take this opportunity to congratulate the retiring director, Mr. Anthony Smith, on his remarkable achievements over the last 10 years. He has been foremost in his promotion of the new incentive policy and made a most significant increase to the private funding of the institute also. I look forward to working with the new director, Mr. Wilf Stevenson.

There is no better illustration of the success of plural and incentive funding than the business sponsorship incentive scheme, which was set up in 1984. In just over three years it has produced an additional £17 million of new money for the arts, helping to increase arts sponsorship overall from £500,000 in the mid-70s to over £30 million today. Every £1 of taxpayers' money put into the scheme raises nearly £2·50 from the private sector. Our evidence suggests that 90 per cent. of the new sponsors maintain their sponsorship into a second year and beyond. It is important to note that 70 per cent. of the scheme's awards go outside London and to all kinds of arts activity.

Expenditure on public libraries, excluding capital, has gone up by 16·5 per cent. in real terms since 1979. The plural funding principle extends to all areas of my responsibility—and that includes public libraries. That is the point of my consultative paper on libraries issued on 23 February. I want to reiterate, in the strongest terms, my commitment to the preservation of the basic free library service for lending and reference. The Green Paper seeks to explore ways in which, while that free service is preserved, public libraries might generate more income, achieve improved value for money and better service to the public; for example, through using more extensively their present powers to charge; through introducing new charged services; through joint ventures with the private sector; and through further contracting out of services.

I have set aside £250,000 per annum for three years for a public library development incentive scheme which will enable libraries to experiment in some of those areas. I announced the first awards on 6 May—for a wide variety of initiatives—to library authorities in Berkshire, Cleveland, Devonshire, Gateshead, Leicester and Sheffield, and to two regional library co-operatives: the London and South Eastern Library Region and the Northern Regional Library System.

The Government are proud to be providing a fitting and long-needed home for the British Library and its unsurpassed collections in the exciting new building under construction at St. Pancras. The project is on target and the building, designed to blend in with its famous neighbour, St. Pancras station, is beginning to take impressive shape. The current stage of construction will be completed in 1993, but the library will start using the building by 1991.

Mr. Mark Fisher (Stoke-on-Trent, Central): The Minister says that the building is on time, but will he confirm that it is also well over budget? Will he tell the House how much over budget it is?

Mr. Luce: I shall try to answer that in a moment. With the leave of the House I shall seek to reply to the debate and answer some of the points that are raised. The hon. Gentleman should give me the chance to complete what I want to say, because it is important that we understand correctly the position of that library at the moment, and my objectives.

I have now commissioned a feasibility study for the next stage of the building. The object of the study is to draw up a plan for completing the project in a way that meets the key requirements of the library at the minimum additional cost. That stage should form a fitting extension and conclusion to the building now under construction. When it is occupied—we hope no later than 1996—all the key elements of the British library, including most of its London-based collections, will be housed at St. Pancras, for the first time ever, in a controlled, pollution-free environment. Services for readers and facilities for staff will be radically improved. I know that this new library will become a vital and valued national asset; an important addition to the British heritage. I believe that it will prove to be one of the great cultural achievements of the 20th century.

The national heritage memorial fund, set up in 1980 and given a special injection of £20 million in October 1987, ensures that we preserve the best of our treasures for the nation, to enrich the lives of future generations.

Recent Government initiatives have made the fund even more effective. The important change in acceptance-in-lieu-of-tax arrangements announced in July 1985 allows access to the Contingency Reserve for acceptances up to an average of about £10 million per annum, in addition to the annual £2 million vote provision. In March 1987, the Government announced that they would waive interest charges on the tax due on an object offered in lieu. A new hybrid arrangement allows items with a special price greater than the tax liability to be offered in lieu. This has allowed us to retain Picasso's "Weeping Woman", and Gainsborough's "Captain Wade".

Two reports have recently been published on our national museums and galleries—one by the Museums and Galleries Commission and one by the National Audit Office. The picture that they present is pretty different from the scare stories put about by some commentators. Of course there are problems, such as conservation and pressures on space, but they arise against the background of our national museums thriving and expanding in many areas of activity, engaged in a major programme of extensions and refurbishments, some of which I have already mentioned. The fact is that the Government have an impressive record on funding for museums and galleries —an overall increase of 26·5 per cent. in real terms since 1979 and of over 50 per cent. on building alone.

My policy is to give the trustees the maximum freedom to plan, choose and control their own expanding activities. They therefore received grant-in-aid status in 1986-87, which strengthens their powers and allows them to benefit from their increased earnings. On 1 April 1988 the trustees took direct responsibility for their own buildings, receiving an increase of over 20 per cent. in their building funds this year. It is obviously counter-productive to encourage the collection of treasures unless there are buildings fit to house them. I thank the Property Services Agency for its work over the years for the museums and galleries and for its co-operation in this untying procedure.

Such an expansion of activity naturally brings pressures and the need to decide on priorities, conservation being one of the most important. It is for the institutions themselves to make these decisions. I am doing all that I can to help. That is why when last autumn's settlement gave the museums a 16 per cent. cash increase over the three years—some of that money was for management and marketing improvements.

Mr. Tony Banks (Newham, North-West): Is the Minister not worried by the fact that when museum charges are imposed there is an average 30 to 40 per cent. fall-off in attendance? The trustees cannot want to reduce attendance by charging, so why do they charge?

Mr. Luce: The most important thing to remember when considering charges—no doubt there will be plenty of scope this morning to debate the issue—is that in all cases it is for the trustees to decide whether to introduce charges. The Natural History Museum, raised £1·3 million net in additional resources in the first year. These additional resources should be devoted to improving facilities for the public. If there is a link to be made—there has been at the Victoria and Albert museum, which now opens on Fridays thanks to the donations of the public who attend it—it is between an increase in overall resources and an improved service to the public. That is the most important thing to take into account. The benefits of these increased resources

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are already visible in the quality of the corporate plans of each of the museums and galleries. I am discussing personally each of those corporate plans with the directors of those meseums and galleries.

I have also allocated £270,000 over three years to the Museums and Galleries Commission to help non-national museums strengthen their management and marketing. The commission is today announcing an exciting programme of initiatives for this purpose. This is part of a formidable programme of measures to help institutions to determine priorities and make good use of resources. It includes the major museums training initiative, which I announced in March, and a research study into the management of collections.

Mr. Harry Greenway (Ealing, North): Picking up the point made by the hon. Member for Newham, North-West (Mr. Banks), although it is right to say that attendances fall back following the imposition of charges, is it not also true to say that attendances have recovered fairly rapidly? Has my right hon. Friend any statistics to show that?

Mr. Luce: My hon. Friend is right. The evidence suggests that in most cases where charges are introduced attendances drop substantially in the first six months or year, but thereafter they tend to pick up. For example, the National Maritime Museum has had charges for some time now and attendances are picking up, with an increase of 16 per cent. this year over the previous year. There has also been an increase in attendances this April over those for April last year at the Natural History Museum, which has had charges in both years. My hon. Friend has made a valid point.

I welcome the continuing success of our museums, especially the excellence of their scholarly work. Only last week Sir David Wilson at the British museum showed me the recent scholarly output his institution—I found it immensely impressive. My priority is to see the greater accessibility of our treasures to the nation at large. To help achieve this I have set up the travelling exhibitions unit at the Museums and Galleries Commission. I remind the House that the original unit, which was designed to facilitate that kind of activity, was abolished by the Labour Government in the late 1970s. The unit is further supported by the Government indemnity scheme.

I regard it as of primary importance for the magnificent treasures of our national museums and galleries to be seen all over the country and indeed the world. Their record here is already impressive. The British museum, for example, lent out almost 2,500 objects in 1987 and the Victoria and Albert museum 3,000. I will do anything in my power to increase that lending.

There has been a great deal of talk recently on the whole question of disposals from national museums and galleries. I believe that trustees should have some power of disposal, in the interests of good collections management. I therefore intend to provide appropriate powers for those galleries that do not already have them. It is clear from the worries that have been widely expressed on this subject, which I respect, that widely different views are held and different institutions probably have varying needs. I therefore propose to have a consultation exercise to see how we can best make an appropriate and flexible response to those differing needs.

My right hon. Friend the Prime Minister said recently at the Royal Academy:

"You need the whole of the arts to make the cities".

The importance of the arts in city regeneration is highlighted in the Government's document on the inner cities initiative, launched by the Prime Minister on 7 March. Arts developments are part of the overall plan for the cities and need the support of local and private sector interests. There are some excellent examples, such as the national museum of film, photography and television at Bradford and the redevelopment of the dock area at Bristol to include the Arnolfini arts centre, the Watershed multimedia centre and industrial museums. These demonstrate the place of the arts as an integral part of general commercial regeneration.

I am very proud of the fact that I chose Glasgow to be the European cultural city in 1990. The city has already responded in a most positive fashion and we are seeing a great artistic resurgence there.

The imaginative generosity of the private sector has been shown in past years in many outstanding acts of patronage. Notable examples are the donation of the Clore gallery to the Tate by Mrs. Duffield of the Sainsbury wing to the National gallery and the many donations of Mr. John Paul Getty.

Those are wonderful and exceptional demonstrations of the giving spirit which, in earlier times, built our libraries and our galleries and museums and which the economic depression and grasping hand of state Socialism had dampened for a while but which is now being revived by economic success and a policy that allows people of varying standards of wealth to keep more of their own money. That spirit was given further encouragement in this year's radical and exciting Budget, both by its boosting of disposable income and by its doubling of the tax-deductible incentive under the payroll-giving scheme.

That increase in wealth and income means that participation and patronage need no longer be the preserve of the few. More and more people now have the chance to demonstrate their concern for non-material things. That is indeed the new spirit of our times, which will produce a new age of giving and participation in the arts. My ambition is to herald that new age. As the late President Kennedy said:

"The life of the arts, far from being an interruption, a distraction in the life of a nation, is very close to the centre of a nation's purpose, and is a test of the quality of a nation's civilisation."

10.2 am

Mr. Mark Fisher (Stoke-on-Trent, Central): I join the Minister in welcoming the debate and recognise that, for the second year running, the Government have provided it in their own time. I thank them for that.

The Minister started by treating the House to a fascinating glimpse of his diary, "The Travels of an Arts Minister", with the Arts Minister as the perfect and compleat arts audience. Hon. Members, particularly Conservative Members, having cast covetous eyes at his job, will have seen how enjoyable it is. He appears to be the compleat spectator, but there was a touch of complacency in his remarks. He appeared to be citing his list of visits as an indication of the health of the arts at the moment. The fact that he is present at an arts event does not necessarily mean that the arts are doing well under the Government.

Although he is undoubtedly an assiduous spectator at arts events, his record as an initiator or a player in the arts world is not good.

Listening to the Minister, hon. Members might have thought, if they took all his words at face value, that arts companies, museums, galleries and libraries were positively bathed in the Government's bounty; but the Minister knows from his weekly visits, whether to Newcastle, Glasgow, Liverpool or Bradford, the needs of artists, administrators and members of audiences. They tell him the same story: that their companies are struggling to survive.

I suspect that the Minister also hears questions, such as, "Why do the Government not value the arts? Why do they not promote the arts?" Today the House has an opportunity to consider the arguments and to decide whether, as the Minister says, all is well and flourishing in our culture or whether as we contend, the success of the arts is in spite of the Government and not because of them.

We maintain that the Government's record in the arts and cultural industries is miserable. Every other country in Europe is heavily increasing its investment in the arts, almost every local authority in this country is beginning to invest heavily in the arts and the demand from arts audiences has never been higher, yet for the past nine years the Government have done next to nothing. To be more precise, they have done the minimum that they could. Instead of leading, they have dragged their feet along behind the arts. Today the House has a chance to consider their record as it stands.

Let us consider the Government's funding record. I shall start with the museums of which the Minister is particularly proud. He claims that there have been increases in the general level of funding of our nine national museums. Frankly, the figures do not bear him out. Revenue funding has increased from £33·6 million in 1979 to £61 million in 1987-88, but, after allowing for inflation, that is a cut in real terms of 3·2 per cent. Individual museums have fared even worse. The National Portrait gallery's general funding is down by 15 per cent. and that of the Victoria and Albert museum is down by 9 per cent.

How do we explain the difference between those figures, which are correct Government figures, and the picture given by the Minister? He referred to Professor Brian Morris's important report on national museums issued last week, the first in 60 years. He said that that presented a different picture from the gloomy picture that I presented to the House last week, which he described as nonsense. I do not expect the House to take my word for it, so I shall quote from Professor Morris's report. He identifies a funding gap in our national museums, and says:

> "The funding gap is serious . . . The effects are lamentably to be seen in terms of closed galleries, reduced security, curtailed opening hours or days, backlogs of work, less ability to help schools, inefficient use of staff time and less good service to the public . . . Most serious is the danger of a cumulative, long-term decline in curatorial standards."

That is hardly a glowing picture. It does not tally with the Minister's attempt to put a gloss on his museums policy. Contrary to what the Minister said, it is sadly borne out by the National Audit Office report, which refers to "poor storage conditions" at the Victoria and Albert museum the Tate gallery and the British museum. and states that the problem of conservation is "worsening all the time". Those three museums are

> "no longer able to ensure proper stocktaking."

Amazingly, that is in the best funded part of our museum service.

My hon. Friend the Member for Newham, North-West (Mr. Banks) referred to charges. The Government will not accept their responsibility for our national museums. The Minister is correct to say that the Government have put money into the fabric and buildings, but we can see from the National Audit Office's report that the picture is very grim in the crucial areas of purchasing, conservation, stock control, research and curatorial standards. Because the Government will not fund properly, the trustees are having to turn to charges.

The point made by the hon. Member for Ealing, North (Mr. Greenway) was rather misleading. The figures come down in the first year, as the Minister acknowledges, ususally by about 40 per cent. Dr. Neil Coussons reckons that the figures at the Science museum will also come down by about 40 per cent. when charges are introduced next year. The Minister is right to say that there is a slight upturn, but the upturn for the National Maritime museum last year was only 16 per cent. It has still not reached the level of five years ago, in spite of the fact that national attendance at museums has continued to grow. It is only when we remove museum charges, as York did after several years, that we see the figures rise again.

Mr. Harry Greenway: Surely the fact is that, unfortunately, we are not an arts-conscious nation, despite the fact that the Government give people the opportunity to visit museums. In Italy or France, people are queueing up to visit museums and they pay to do so. There are long queues outside every institution in Venice and every other cultural centre in Italy. Surely the basic problem is that we need a better arts education in the schools.

Mr. Fisher: The hon. Gentleman has unintentionally made my point for me—the Government are not arts-conscious, and after nine years we face the subsequent results and problems. Education is important, and the Government's record has worrying implications for the future of the arts.

The national museums—despite the gloomy picture painted by Professor Morris—are, perversely, the best funded. The whole range of museums in the regions, however, are struggling along on a pittance. The seven English area museum councils receive in total £2·4 million a year. For years, everyone in the museum service has told the Minister that the grant should be doubled, but he is absolutely deaf to their pleas. That gives a hollow ring to the Government's claim of bringing excellence to the regions.

The Minister attempted to bluster his way through when discussing public libraries, but he knows well that the record on public libraries is disastrous. Let me remind him of the facts. Under this Government a net 200 public libraries have closed, book funds are down by 40 per cent. and in some authorities they are down more than that—in Bradford by 61 per cent. and in Bromley by an amazing 90 per cent.

If one visits public libraries one learns about library closures, staff redundancies, a loss of hours and even closure on certain days of the week. No wonder that book loans were down 6 million last year. Why is that? It is not because libraries are not valued by the public; they take out 655 million books every year. Certainly, libraries are valued by local authorities and most of them recognise

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that public libraries are the most popular community service that they offer. Certainly those libraries are valued by the staff, who have an amazing record of imagination and invention when introducing new ideas and services to the public. They have introduced services for the housebound, outreach communities, arts projects, prisons, ethnic minorities, teenagers and, not least, industry—that is an important service that the Government do not appreciate. The decline in funding for libraries is as a result of Government's hostility to local authority expenditure. To sustain library services in the climate of rate capping and penalties is extremely difficult.

Mr. Gerald Bowden (Dulwich): Does the hon. Gentleman agree that the disposition of a local authority's resources is within its charge? It decides its priorities. My authority has decided to close its public libraries on certain days of the week and has decided to deny those who live in the borough the opportunity to read certain newspapers with which it politically disagrees. Does the hon. Gentleman believe that that is the way in which the authority should run its affairs? If public libraries are the jewel in the crown of local authorities, they should give them more resources and not deflect them, but that is in the authorities' hands.

Mr. Fisher: Obviously we cannot debate rate capping and the Government's attitude to local authority finance. The hon. Member for Dulwich (Mr. Bowden) knows full well that, far from the finances of local authorities being in their own hands, the Government forbid them by law to go to the electorate to raise the money they seek. The Government do not even allow authorities to spend their own capital grant, which is sitting in banks all over the country. The hon. Gentleman's argument is nonsense.

The Minister also mentioned the Green Paper. We need a debate solely devoted to that document because it is extremely important. The Minister did not go into many details and he did not tell us that the Green Paper proposes charges for information, charging for a premium service for new books and competitive tendering for such things as book services for old people's homes, for videos and for branch libraries.

The Green Paper is an extraordinary document. It does not bear much relationship to the realities of the public library service. That is not surprising when one considers that the Minister did not choose to consult the Library Association or public libraries before producing it.

If the Green Paper is implemented—I fear that it may be—it could have a disastrous effect on public libraries. The Library Campaign has given us a glimpse of what public libraries would be like as a result of the Green Paper. A public library might have:

"five W. H. Smith-run branch libraries. The top fifty titles are available . . . on demand—50p per issue, one-week loan, fines payable thereafter. Other books available on the Category B shelves. Three books may be borrowed free at any one time. Additional titles may be borrowed—50p a go. If the book you want isn't there you can reserve it—£2·50 whether it's obtained or not. The Central Library has a lending section . . . It also has a Virgin sound and video library. Top 100 albums—£1 a go. Reference and information services are organised in specialist sections. £1 in the slot to get in. 50p for OAPs.

Enquiries which take up more than 15 minutes of staff time attract a premium charge of 50p . . . On-line facilities are available—£20 per connect minute."

If that is what the Government want our public library services to be like, that is what they will get as a result of the Green Paper. If the Minister listens to the consultations and submissions he will receive from the library authorities he will realise that the Green Paper is sheer nonsense. The idea that people will queue up to make competitive bids to run library services to old people's homes and will make huge sums of money out of such services is absolute nonsense. If the Minister knew anything about the video world, he would be aware that Virgin and others involved with video lending need prime sites in city centres with shop fronts. They will not queue up to make a tender for sites inside public libraries. The Minister has not done his homework on the Green Paper, but we shall have to discuss it on another occasion.

It is important to set the record straight on funding. Last November the Minister announced his new departure for arts funding—three-year funding. I pay tribute to that initiative, and I believe that the arts world perceives it to be an extremely welcome development.

The Minister said that the Arts Council grant has increased by 8·4 per cent. to £150 million and that it will increase by 3 per cent. in the next two years. It does rather take the gloss off three-year funding if one is told that one can plan for three years, but that the grant for the next two years will be below the rate of inflation. That is a cut in real terms. As we said at the time, and contrary to what the Minister has said, such funding does not bring the Arts Council grant back to the level that it was in 1979 in real terms. The grant is £20 million short of what the Arts Council said it needed in 1987-88 to sustain the output and development of the arts.

The Minister also said that £5 million of the £11 million had been earmarked for the new incentive schemes. As a result, the effective money available for the base budgets of regional arts associations and arts companies all over the country has been cut. The Greater London Arts Association has suffered a cash cut of 1·2 per cent. Northern Arts—the Minister has visited that organisation and he knows the superb job that it does—has been given an increase of 0·6 per cent. only—a cut in real terms.

Mr. Jeremy Hanley (Richmond and Barnes): That is not the Minister's fault.

Mr. Fisher: Of course it is. The Minister earmarked for different uses the money provided. It was not as though the Arts Council was perverse and wanted to cut the allocations to the regional arts associations or to cut the grant to the English National Opera or the Royal Shakespeare Company by giving them only a 2·5 per cent. increase in funding. It also had to cut the allocation to the national theatre and the royal opera house. The Arts Council did not want to do that because it is aware of the valuable work that is performed by the associations and companies. Unfortunately, it has not been given the funding that is needed for the base budgets of those associations and companies.

If the award was as good as the Minister has said, why are arts clients all over the country on standstill budgets or worse? The Government are not funding them straight. This is not a record of success and plenty, but a record of neglect.

The Minister is correct to say that it is not only a question of funding and that much is happening in the arts. Thank heavens it is. We see expansion, ideas, new

ventures, and developments. Audiences are increasing, demand is growing and people are participating more. The standards are high, but all those things are not as a result of Government policy. Such developments are taking place in local authorities.

Local authorities are already by far the largest spenders on the arts. Last year they spent £520 million on the arts, compared with the Arts Council's spending of £150 million. Despite Government hostility to local authorities and local authority expenditure, there is development there. Local authorities, whether Sheffield, Newcastle, Birmingham, Glasgow or Bradford, or smaller local authorities, such as Stirling, Cambridge, Swindon, Dundee, Wolverhampton and Scunthorpe, recognise what the Government refuse to recognise—the importance of the arts. Even one or two Tory authorities do. When Cardiff was Tory, it funded the arts world, and Westminster has a good record on its overall level of expenditure.

The arts are bursting with ideas, such as Swindon's community access to media projects, Dundee's superb arts project in the Blackness area and the south Humberside dance project. There is plenty going on despite the Government, not because of them. I join my hon. Friend the Member for Paisley, South (Mr. Buchan) in paying tribute to Glasgow's superb Mayfest. Glaswegians would be amazed by the Minister saying that he is responsible for Glasgow receiving the European cultural city of the year award. It is they who have earned it and they deserve it.

Mr. Buchan: We welcome the thanks for that. Has my hon. Friend seen *The Scotsman* today, which states:

"Rifkind in £140 million cash clawback."

That includes local authorities in Glasgow, which he has been praising so much over the last few months.

Mr. Fisher: I am ashamed to say that I have not seen *The Scotsman* today, but that admirably answers the point.

Unlike the Government, local authorities recognise the cultural, social and economic importance of the arts. That is why, unlike the Government, local authorities are increasingly developing arts projects and policies. They recognise not just the public sector and the role of sponsorship, but the voluntary sector. The Minister did not mention the role that the voluntary sector is increasingly playing at community level in arts activities. Not once did he mention the independent commercial sector. Unlike him, local authorities recognise that a good range of good quality bookshops, record shops and cinemas are as much part of our arts life as public sector provision. Yet the Minister did not mention that.

The Government do not have a policy or a vision. I looked through the Minister's speech at the Council of Regional Arts Associations conference in Newcastle last night and it is a deeply ill-judged, unhappy one. *[Laughter.]* The arts world has certainly perceived it as such, and many were depressed and disgusted by it. *[Interruption.]* If the Minister is relying on praise from the hon. Member for Hayes and Harlington (Mr. Dicks) with his views on the arts, he must know that he has got it wrong.

I looked for something positive in the Newcastle speech and the most positive aspect was the Government's commitment to protect our heritage and the status quo and to create conditions later in the year for plural funding. There were many more depressing aspects of Government policy. The Minister criticised "the welfare state mentality" of the arts and

"the attitude that the taxpayer owes them a living."

Many in the arts find that deeply insulting and wholly at odds with the facts. The Minister continued that his view of the arts criterion value was

"if it's any good, people will be prepared to pay for it."

Chillingly, he ended by saying:

"You should accept the political and economic climate in which we now live and make the best of it."

It will be a long time before the arts world forgets that thoroughly ill-judged, unhappy speech.

The Minister referred to his incentive funding scheme and reliance on sponsorship. That scheme, for which he takes credit, has been ill thought out. There appears to be a direct clash and contradiction between the role of sponsorship through the Association for Business Sponsorship of the Arts and the business sponsorship incentive scheme, and the role of the Arts Council as agent for the challenge funding. The arts world will look with great interest at the results of the first year of the scheme. At present, the only activity appears to be the profusion of consultancies that have been spawned by it. This week I talked to a major and responsible arts sponsor in the corporate sector who was clearly wholly confused by the two schemes, had not yet been approached on challenge funding and did not understand what it was about. The Minister has work to do if he is to make that succeed.

We do not have time to go into the whole question of sponsorship, although my hon. Friends may take that up. The political climate is affected by the Government's attitude to education. I fear that the Education Reform Bill will not assist the arts and that the reassurances that the Minister has attempted to give do not in any way address the anxieties of arts educators.

Mr. Toby Jessel (Twickenham): Surely the hon. Gentleman is aware that the Education Reform Bill, for the first time in our history, makes music and art compulsory subjects in the school curriculum. His Government never did that.

Mr. Fisher: Surely the hon. Gentleman is aware that the arts are described in the Bill as visual arts and music. There is a distinct threat to the enormous explosion of drama, dance, film, video and media studies, all of which have taken off in schools and have appealed to young people and teachers. They are all threatened simply because of the Government's limited definition of arts as art and music. That danger is compounded by the fact that the Government have closed more art schools than any other Government and underfund the art schools which exist.

Mr. Harry Greenway: Is the hon. Gentleman following the national education curriculum group, particularly that concerned with English, and has he made submissions to it on the arts, including acting and so on? There is no doubt that that is where such arts activities will come from.

Mr. Fisher: The House respects the hon. Gentleman's opinions and knowledge on education, but I fear for the future of the arts under the Education Reform Bill. It will all depend on how the circulars are worded and how the Bill, which is imprecise, is interpreted.

The Minister referred to the wider political climate in his Newcastle speech. The Government are imposing increased pressure on the media, on broadcasting and,

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similarly, through that on the freedom of expression and speech. We hear this week that the Broadcasting Standards Council is seeking to preview all foreign programmes. That will send a chill through the arts world and those who care about freedom of speech. There is a similar problem over clause 29 of the Local Government Bill which will undoubtedly lead to a mood of intolerance and oppression and will limit the freedom of expression of gay men and lesbian women—something which the Minister says will not happen, but is already happening through his local authority colleagues.

What I fear most about sponsorship and clause 29 is not so much the overt problems that arise, as the degree of self-censorship which will be engendered in preparing programmes and in not doing work which otherwise should be done. That self-censorship strikes at the heart of a healthy, free-expression arts world. The Minister must address that problem.

All that comes back to the Minister's lack of policy and vision, or indeed his hostility towards local authorities.

Mr. Gerald Bowden *rose*——

Mr. Fisher: I have given way to the hon. Gentleman already.

The Minister is missing the obvious because he does not allow himself to see it. A retail revolution is changing the centres of all our cities, and our inner cities are being redeveloped. Local authorities understand that the arts are an anchor element in that redevelopment. They are a key element, whether in Newcastle, Birmingham, Manchester or Glasgow, in inner-city regeneration.

The Arts Council has attempted to address the problem of urban renaissance. Seven pages is a rather slight and superficial response to a major opportunity and a major challenge to the arts. I made this point about the arts economy to the Minister during the whole of last year and eventually he commissioned a report. Does he remember it? He commissioned Mr. Paul Collard to report on arts in the inner cities. Mr. Collard produced an excellent report within eight weeks. What happened to the report? Because it paid tribute to local authorities and said that they had a key role to play, the Minister suppressed it—or rather, I think that he caved in to his right hon. Friend the Secretary of State for the Environment, who said that it would be published over his dead body. *[Interruption.]* That rumour has yet to be disproved.

The Secretary of State for the Environment said that anything that paid tribute to and recognised the constructive role of local authorities could not be given the Government's stamp of approval. Apart from seeing the constructive and interesting evidence in the report, the Minister may have read the fine print. The report says that the

"evidence finally suggests that, as far as is possible, central government funds are . . . being frozen, reduced or abolished. This is frequently against the direct advice of officers in the appropriate ministries.

The Minister should recognise that he did not do a service to free speech, to research or to the arts world by so crudely suppressing the Collard report. Collard identified the crucial importance of the cultural industries—publishing, recording, film, video, broadcasting and fashion design. The Government should be looking at those things and directing to them their energy, investment and training. They should recognise the central relationship between seed funding at local authority, arts association and Arts Council level and the explosion of talent in the cultural industries.

If only the Minister would allow himself to recognise those things, he would see that the international and national implications are enormous. The cultural industries are highly profitable. Last year, publishing had a net trade balance in our favour of £550 million. Records made £450 million. We have 40 per cent. of the world's record industry and the Government are not investing in order to support and sustain that enormous growth.

If only the Government would recognise that, they would not talk about the welfare state mentality. On the contrary, the Treasury should be extremely grateful to the arts and the cultural industries because I suspect that, leaving aside the £5,000 million that is attributable to tourism and our arts and heritage, the cultural industries probably bring in a net benefit of £1,000 million in foreign exchange and trade every year. They do that at a time when our balance of trade in manufactured goods is over £8,000 million in deficit. If the Minister understood the realities of the cultural industries and the economy and was not ideologically prevented from recognising them, he would be able to go to the Chancellor and make a positive case for more investment in the arts. Time and again, the arts pay for themselves by their contributions to the Treasury.

The Government should be redefining our arts, our cultural heritage and our media along the lines that I have described. They should be backing local government and making the arts a statutory responsibility. The Government say that the arts are important, but why is it the only local government service that local authorities do not have to provide? Statutory responsibility for the arts and an element of the rate support grant would do more for an explosion in and a flowering of the arts at local authority level than anything else. But, of course, that does not fit the ideology of the Government.

Such a move would widen access and allow more voices to be heard. The Government should recognise that many people—especially the young, the old, black people, Asians, women and the disabled—are not being heard in our culture. We are missing their testament, their witness to what it is like to live in our society. We are all suffering from that loss, because our culture would be richer if we had that wider range of voices. Because they cannot see that, the Government are missing opportunities in training for the young. If the Minister looks around the country he will see in every major city many young rock bands that do not have research, rehearsal, or recording facilities. There is an opportunity there if only the Minister could bring himself to recognise the economic and cultural importance of the arts.

The cultural industries are vital as a means of expression. As I have said, the Government are limiting the means of expression and free speech in our society. The arts is the one area left in which our values and our society can be not only celebrated but tested. Ideas can be explored, traditions questioned, and dissent expressed. That ability to set a wider public agenda is crucial to the health of the arts, so that they can contribute to and carry forward society's debate and its view and story about itself. Sadly, the Government lack the wit to see and support that. They moan about the welfare state mentality and ask the arts to accept the political and ecnomic climate

around them. The Government have created that climate, which is hostile to artists, writers, film makers and painters throughout our society.

We shall not seek to push the debate to a vote, because it is taking place on the Adjournment of the House, but the Government have a miserable and sad record. Unless they recognise what is happening in the arts at local authority level and are prepared to put aside their ideology and back the enormously encouraging developments at local authority level, the prospects are grim.

10.36 am

Mr. Toby Jessel (Twickenham): The hon. Member for Stoke-on-Trent, Central (Mr. Fisher) spoke about the political and economic climate. It is a climate of burgeoning confidence and enthusiasm that has not left the arts unaffected. He said that the arts are "bursting with ideas". Perhaps it has not occurred to him that that is a reflection of such burgeoning confidence, but that is no surprise.

I remember the impressive series of television programmes "Civilisation" by the late Lord Clark. Those programmes stressed the theme that it is confidence in society as a whole, as in the first Elizabethan and now the later stages of the second Elizabethan age, which is reflected in advances in science, exploration and prosperity, and is also reflected in enthusiasm and confidence in the arts.

One cannot separate the tremendous increase in national prosperity in our country, where living standards have risen by between a quarter and a third in the last eight or nine years, from the great confidence and success in the arts. The theatre in London, including the National theatre, is highly successful. It is quite difficult to get a seat for many plays, and more people go to the theatre than go to football matches.

Mr. Terry Dicks (Hayes and Harlington): Will my hon. Friend give way?

Mr. Jessel: I have only just started my speech, but I shall give way to my hon. Friend because he is an original thinker.

Mr. Dicks: Does my hon. Friend agree that the National theatre is packed to the door because it is subsidised by the taxpayer to the tune of £28 per seat? Anyone who wants to watch Wimbledon play at Plough lane has to pay the full economic cost.

Mr. Jessel: I am very much in favour of the National theatre having a subsidy of about £6 million a year, which is equivalent to about 10p or 12p per head of the population, our population being about 55 million. The National theatre is a tremendous national asset. It is a pump primer and a source of inspiration to all the other theatres in Britain. It helps to draw to Britain visitors whose spending of money generates employment elsewhere, in hotels, restaurants and shops. This additional spending and the employment that it generates produce a tax yield to the Government and justify the subsidy. On that point the hon. Member for Stoke on Trent, Central and the Minister were right. The figure of £6 million is about right for the National theatre: it should not be much higher or lower.

In reply to my intervention the hon. Member for Stoke-on-Trent, Central gave a wholly inadequate answer. He had said that the Government were not art conscious. I said that the art consciousness of the Government was proved by their being the first Government to make art and music compulsory. They are doing this in the Education Reform Bill, which is to come into effect next year. The hon. Gentleman did not make a very impressive point about that.

As for what the hon. Gentleman said about museum charges, if he goes to the Louvre in Paris he will expect to pay to go in, as will everyone else. Why on earth should the burgeoning numbers of foreign visitors not pay to enter our great museums? Why should most other people not pay, too? People expect to pay to go in.

Tomorrow marks an important tercentenary. The poet Alexander Pope was born on 21 May 1688. He lived and died in Twickenham and is buried in St. Mary's church there. We are immensely proud of him. He was without doubt one of England's greatest poets. His crisp command of language and his deep wisdom and insight shine through his poems. So many of Pope's lines have entered our daily language—for example:

"Know then thyself, presume not God to scan,
The proper study of mankind is man";

or:

"To err is human, to forgive, divine";

or:

"All are but parts of one stupendous whole,
Whose body Nature is, and God the soul;

or:

"Oh grave where is thy sting,
Where death thy victory?;

or:

"Guide, philosopher, and friend";

or;

"I cannot sleep a wink".

A quotation from Pope that is said to be popular among civil servants is:

"For forms of government let fools contest;
What e'er is best administer'd is best".

I bring that to the attention of my right hon. Friend the Minister for the Arts, who is also the Minister for the Civil Service.

Some of Pope's lines remind me of right hon. and hon. Members:

"For fools rush in where angels fear to tread",

or:

"A little learning is a dang'rous thing".

One reminds me of the hon. Member for Paisley, South (Mr. Buchan):

"Fire in each eye and papers in each hand,
They rave, recite and madden around the land".

Another reminds me of the hon. Member for Stoke-on-Trent, Central (Mr. Fisher):

"Hope springs eternal in the human breast;
Man never Is, but always To be blest".

Yet another reminds me of the hon. Member for Newham, North-West (Mr. Banks):

"The ruling passion, be it what it will,
The ruling passion conquers reason still".

Hon. Members who shall be nameless are captured in the following lines:

"Destroy his fib or sophistry—in vain!
The creature's at his dirty work again".
"Damn with faint praise, assent with civil leer,
And without sneering, teach the rest to sneer".
"Old politicians chew on wisdom past,
And totter on in business to the last".

Those last remind me of one or two of our senior hon. Members.

I am happy to tell the House that Pope's tercentenary is to be commemorated by several events in my

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constituency. Tomorrow, Pope's birthday, as part of Twickenham week, of which I have the privilege to be president, the Strawberry hill residents' association is to hold a birthday party to be attended by nearly 300 of my constituents. It will be held in Walpole's drawing room at Strawberry hill, with which the House has a special link, because the Palace of Westminster would never have been rebuilt after the fire of 1830 in its present form but for the Gothic rebirth in British architecture that was started by Walpole in the drawing room of that house in Twickenham.

It so happens that at Pope's birthday party tomorrow, my wife, who is a professional actress, will read some of his poetry, and a British Army band from the Royal military school of music at Kneller hall in Twickenham will play. They reside in the house of Sir Godfrey Kneller, the English painter, who was a great friend of Alexander Pope.

Tonight, the Twickenham society is to hold a special event at Orleans house, Twickenham. The Twickenham local history society has brought out a fine commemorative booklet on Pope and mounted a superb tercentenary exhibition of paintings.

Among the paintings on show is Tilleman's celebrated view of Twickenham from the top of Richmond hill. It is a beautiful painting and is of tremendous local historical and topographical interest to my constituents and those of my hon. Friend the Member for Richmond and Barnes (Mr. Hanley), who, being a Parliamentary Private Secretary to my right hon. Friend the Minister for the Arts, is precluded by convention from speaking in this debate. Nevertheless, I have been in close consultation with him about this important painting, the scene in which straddles his constituency and mine.

For 10 years, as a member of the Western European Union Parliamentary Assembly I have seen that painting in the British embassy in Paris. I have cast envious eyes on it and wondered how it could be brought to Twickenham so that my constituents could regularly see it. I asked for it four times and always failed because successive ambassadresses at the British embassy in Paris had fallen in love with it. Suddenly, last month, the painting appeared at the opening of the Pope tercentenary exhibition at Orleans house in Twickenham. I am told that the present ambassadress likes modern paintings.

What of the future of this painting? After discussions with my hon. Friend the Member for Richmond and Barnes I approached my right hon. and learned Friend the Foreign Secretary because I was told that the painting was earmarked for his private office after the tercentenary exhibition was over. My right hon. and learned Friend said that he would write to me, and this week I received his letter:

"You mentioned to me a while ago your interest in Peter Tilleman's "View of Richmond" which has recently been on loan to the Tate and is at present on loan to Orleans House in Twickenham for the Alexander Pope exhibition. Once this is over, the Government Art Collection are kindly arranging for it to be hung in my own office at the FCO, where it will fit in extremely well. This will, however, only be for a year or two, since we will be moving back in due course into our traditional suite of offices overlooking St. James's Park (which are at present being refurbished). I do not imagine that the Tilleman would fit in so well over there, and it will be for the Government Art Collection to decide where it should go thereafter. As you know, pictures from their collection normally hang only in central Government buildings."

I do not know what might be possible, but I ask my right hon. Friend to see whether the painting can be put permanently at, or close to, Twickenham and Richmond. I have the support of my hon. Friend the Member for Richmond and Barnes. I realise that such paintings normally go into Government buildings, but perhaps Marble hill house, which, following the welcome abolition of the GLC, now belongs to English Heritage, might qualify as a Government building, if English Heritage is willing.

Mr. Tony Banks: I am grateful to the hon. Gentleman for giving way and for telling us all about the birthday party that he will have. I am sure that Pope is relieved that he is safely dead—at least he will not have to attend. Would the hon. Gentleman care to say something about Marble hill house and the magnificent way in which the GLC looked after it?

Mr. Jessel: As a former member of the Greater London council from 1967 to 1973, on which body I happened to be senior to the hon. Gentleman, I am happy to confirm that the Greater London council looked after the building well, and English Heritage is looking after it even better now.

It is important that paintings are seen. The same goes for furniture and other objects. That brings me to the subject of hoarding by certain museums. Britain has attics full of treasures. It cannot be right that large quantities of beautiful and interesting paintings and other art objects and works of art are hidden away in cellars, to be seen only by the odd academic. The whole purpose of a work of art is to be perceived. We should get works of art up and out, preferably on loan to galleries, or possibly, in some cases, to be sold and replaced by other objects which there is room to display.

I welcome my right hon. Friend's decision to publish a consultation paper on the matter. I hope that it will make specific reference to bequests. This is important. If people think that works of art will be sold, they will not bequeath them. It is important that the law should make a clear exception to protect bequests. That apart, the matter should be widely discussed. My hon. Friend the Member for Dulwich (Mr. Bowden) has an interest in the matter. I hope that if he catches your eye, Mr. Deputy Speaker, he will refer to it.

Far too much stuff is hidden away and never seen. The British museum has 80 Michaelangelo drawings in drawers. In the 1950s the Victoria and Albert museum took on—perhaps it had to take on—the entire contents of the Indian museum of London. It is all stashed away in a store room in south London and never seen. That is wrong. The stuff should go on show, rather than be wasted and, in some cases, allowed to rot. It should stop. I welcome the decision of my right hon. Friend to initiate discussions on the matter. I hope that they will lead to something.

As my right hon. Friend said, this year, there has been a substantial increase in real terms in arts funding. In absolute figures it is a 17 per cent. increase over three years, starting with 10 per cent. last month. It was the best arts settlement ever. It was widely praised—and deservedly so—by the arts world when it was announced in November. Even Sir Peter Hall, who seldom has anything good to say about arts funding, said, "The Minister is to be thanked. He should be warmly congratulated. It is a

very nice surprise." That was the view of anybody who was anybody in the arts world—or at least the top tier of it—about the announcement of the settlement.

The lower tier of the arts world is different. There are some professional whingers and whiners in that tier, whose attitude is so inflexible that they could not adapt to the fact that a substantial improvement had been announced. After a few weeks had gone by they continued whingeing and whining as though nothing had happened. Some of them are so geared to the begging bowl mentality that force of habit leads them to think that Government funding, if not an end in itself, is at least the main yardstick for determining how well the arts are doing. That view is nonsense.

Government funding, which is important and has increased, is a means to an end, to enable the arts to flourish and more people to enjoy them. Much more important for the arts than any Government funding—important though that is—is the general state of the national economy. The splendid economic growth that the country has seen under the present Government means that people have more to spend on leisure and on the arts. As I said by way of illustration, the London theatre is flourishing as at no time since the second world war. The main reasons are that, first, more people can afford to go to the theatre if they want to do so, and, secondly, the productions are good. There is tremendous enthusiasm in the London theatre. Superb productions are being put on, reflecting the new self-confidence of the arts, as part of the self-confidence of the country to which I referred.

Of course, that includes the live arts, which, as the hon. Member for Stoke-on-Trent, Central said, are bursting with ideas. It includes opera, ballet, concerts, and the forthcoming, highly imaginative promenade concert programme at the Royal Albert hall in Kensington. Through July, August and September thousands of young people will be able to enjoy the superb standard of promenade concerts and enrich their lives. If they wish, they can combine their visit to the Royal Albert hall with a visit to the South Kensington museums just down the road.

We should pay no attention to the jeremiahs. All in all, the arts are not doing too badly. They are doing well and are a great credit to the nation.

10.57 am

Mr. Michael Foot (Blaenau Gwent): Like the hon. Member for Twickenham (Mr. Jessel), I am a great admirer of Alexander Pope. If the hon. Gentleman's wife had recited the poems, the whole House would have been enthusiastically entranced. As I listened to the hon. Gentleman, the lines that came most dominantly to my mind were from Pope's poem, the Dunciad:

"Lo, thy dread empire chaos is restored
Light dies before they uncreating word
Thy hand, Great Anarch, lets the curtain fall
And universal darkness buries all."

As I listened to the hon. Gentleman, I was reminded of that climax, although there are some other lines in the Dunciad to which he might refer us. However, I do not wish to spoil matters in that sense.

In an admirable speech, my hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher) referred to a speech that the Minister for the Arts made just after the election. He used the phrase, "welfare state mentality." I agree with every stricture that my hon. Friend made. The Minister must regret that he ever used such a phrase.

The phrase "welfare state mentality" insults the people who apply it to the arts and those who must take benefits under the welfare state. The phrase was intended to be derogatory in some sense. I cannot understand why any Minister for the Arts should wish to use it. The welfare state has had wonderful effects in sustaining the arts in good times and in bad. Therefore, any derogatory sense that applies to that phrase is wrong.

I looked up the meaning of the word "welfare" to make sure of it. It is a wonderful word, with a wonderful ancestry. It was used by Chaucer. If it can be used by him without a sneer, I should have thought that the Minister for the Arts should be capable of doing the same. The idea that there is anything wrong in public funding of the arts is absurd. There would not be any of our great museums without it. Many of our greatest artistic treasures would never have been protected if it were not for the welfare state and the welfare state mentality that was applied to the arts even before it was applied to the process of trying to protect some of the poorest or least protected of our citizens.

The best excuse for the right hon. Gentleman—this must be the reason, because he is an intelligent man—is that his speech was addressed not to the general public but to the Prime Minister, and he thought that she would appreciate the phrase. Some of his references today to the adoration and eagerness with which the Prime Minister attends to the affairs of the arts were interpolated a little unnecessarily. The best thing that we can say is that that phrase, which I hope will be expunged from the Minister's vocabulary, was intended to appease the Prime Minister rather than to achieve any other result.

The Minister cannot cast aside, in the almost derisory manner that he adopted, the report that he received a few days ago about the state of the museums. He has had a few days longer to read it than we have. I recommend everyone to read not merely a few phrases from it, although some of them are extremely important, but the whole report. Professor Brian Morris recommends that, because he says at the beginning—this has wrongly been criticised by some people in the arts world—that he is dealing with the ideas and principles involved, and has not made his report solely to make a series of recommendations at the end. He should not be criticised on that account, because it is an argument. It is utterly absurd for the Minister to think that it is an argument that comes down in any sense on the side of the Government. Either he has not attempted to read it properly, or he is seeking to mislead us—and I do not think that he would do the latter.

Some of the passages in the report have already been quoted by my hon. Friend the Member for Stoke-on-Trent, Central and by the newspapers, but there are many other important passages that have not been quoted. For example, page 10 begins the discussion on public funding. It says:

"Until the present decade, no one doubted that the Government accepted full financial responsibility for the national museums, whether they were run by an Education Department or by Trustees."

The report deals with exact amounts. I know how careful the Government are in producing statistics to prove how much they have spent since 1979. I often question many of these figures, because when one goes into

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them a little more carefully, they are suspect. I do not say that that applies especially to the office of Arts and Libraries, but it applies to it as well as to most other Government Departments. I say that as one who has, as head of his college, Wadham, the greatest statistician in the country. He often questions the way in which the Government produce their statistics.

Page 10 continues:

"Moreover, the increases in funding have since 1981-82 consistently fallen below trends in the levels of civil service pay settlements (which dictate the pay of national museum staff, but being negotiated between Government and civil service staff associations, are outside the museums' control). The funding gap is clearly shown in the chart opposite".

I hope that everyone who thinks that the Government have been sustaining the funding of the museums properly will look at that chart. It proves the opposite. That is why the commission, which, as my hon. Friend the Member for Stoke-on-Trent, Central has said, is the first commission for 20 years to go into these matters so thoroughly, has produced a chart that proves that the Government have not been sustaining the funding of museums in the way that they should.

On page 12 we read:

"This funding gap is serious, and has had adverse consequences in all the national museums, which have had to leave unfilled varying numbers of posts in the complements (though these were determined after Government staff inspections)."

This next paragraph has often been quoted, but I put it in the context of my previous quotation. It says:

"The effects are lamentably to be seen in terms of closed galleries, reduced security"—

this from the Government of great security—

"curtailed opening hours or days (as at the V & A until recently"——

Mr. Hanley: Until recently.

Mr. Foot: Yes, "until recently". I am reading a recent report. It continues:

"backlogs of work (eg on conservation and the production of catalogues and other scholarly publications), less ability to help schools (especially now, with GCSE), inefficient use of staff time (word processors can hardly be afforded), and less good service to the public (for example, the National Art Library at the V & A is still closed one day a week, and sorely underfunded)."

The hon. Member for Richmond and Barnes (Mr. Hanley) implied that these matters have been remedied. There may have been remedies in one or two parts of that indictment, but I suggest that the Minister reads through the whole of it carefully and tells us exactly what is the truth. The report was published only a few days ago. If the Government have any criticisms of it, they had better produce their figures to repudiate it. Then we shall see whether Professor Morris and those who signed the report wish to agree with what the Government say.

Mr. Luce: One must see this in perspective. I am not saying that the report praises everything that the Government are doing, and I did not say that before. It is a thoroughly objective and good report, and it is valuable for the museums as well. If the right hon. Gentleman is taking selected bits out of it, he should be a little more balanced. In its conclusions, on page 36, the report says:

"Government funding of the national museums has increased significantly over the last ten years, as their activities have grown."

He ought to acknowledge that.

Mr. Foot: I acknowledge that. As I said, the best way to read the report is to read all of it. Those who do so will come to the same conclusions as Professor Morris. He has made a statement in that document, which is one of the most valuable that could be produced on the real working of our museums, which confirms almost everything that has been said by my hon. Friend the Member for Stoke-on-Trent, Central and by our previous spokesman on the arts, my hon. Friend the Member for Paisley, South (Mr. Buchan). What they have been saying for years is confirmed by the report.

If the Minister is questioning the conclusion of the report, perhaps we should see what Professor Morris said after the report came out, when some people in the arts world were criticising it not because it was too censorious, but because it was not sufficiently severe in its criticisms of the Government or sufficiently direct in demanding the new things that should be done. Let us see what Professor Morris has to say about this, as the Minister wishes all these matters to be taken into account. The day after the report was published, Professor Morris, in an interview in *The Independent*, said:

"The document, a two-edged sword, is radically different from any other. Instead of a list of recommendations, we addressed ourselves to ideas and principles underlying the whole museum scene."

He then set out what could be the remedies. The article continued:

"The report covers 19 museums throughout the country, which attract nearly 26 million visitors annually, and receive Government funding totalling £178 million."

The Minister has invited us to make sure that we weigh every word from Professor Morris. The article goes on:

"Professor Morris said he wanted to see the annual grant raised to £200 million. 'That would go almost all the way to solving the immediate problems'."

Why cannot we have a yes to that proposition? Will the Government give a guarantee that in a few weeks they will produce new propositions for meeting the demands or requests, whatever we care to call them, that have been made by such a high-powered commission? The report highlights elementary needs and the action that must be taken to ensure that first requirements are met.

Mr. Robert Rhodes James (Cambridge): Perhaps the right hon. Gentleman will accept that Professor Morris's report does not cover all the museums. Five university museums, including the Fitzwilliam in Cambridge, are excluded. Those five, thanks to antediluvian procedures, are maintained by the University Grants Committee. Unfortunately, they are right at the end of the queue of priorities.

Mr. Foot: I am glad to accept the hon. Gentleman's correction, which surely fortifies my case.

Some months ago I went to the Belfast museum. It is a wonderful institution that is tended, as most museums are, by a staff with a passionate concern to make their museum the very best possible. It is one of the institutions in that part of the United Kingdom, along with the universities and others, which bridges the gap between north and south. There is a fine interchange between different forms of culture. Given the history of the Irish situation, surely the Government should be eager to ensure that there are no closures in Belfast. However, closures are taking place. Professor Morris has drawn attention to the lamentable failure to provide proper facilities for the hard-working

and devoted staffs of many museums, and I am sure that that applies to some of the museums to which the hon. Member for Cambridge (Mr. Rhodes James) referred. I am sorry that I gave the impression that all the museums are covered in the report.

I hope that the Government will adopt a fresh approach and that we shall not hear again anything like the response that the Minister has so far produced. I hope that he will be eager to erase from our memory any recollection of the answer that he gave on this subject a few minutes ago. Perhaps that response can be attributed to the fact that he, like the rest of us, has had only a few days in which to read the report. It cannot be said that a proper job is being done for our museums when about £25 million is required immediately, according to Professor Morris and others who produced the report, to deal with current needs.

I turn to another subject that may not come directly within the establishment of the Minister's Department. Of course, I cannot blame him for that. None the less, anyone who considers the issue that I am about to raise will agree that the Minister should have responsibility for dealing with it.

The Commission for Learning has been referred to in the House on several occasions. I referred to it in a debate on the Commonwealth of Learning, which is a new name for the Open university for the Commonwealth. I raised the matter during the debate on the Queen's Speech in the knowledge that the Foreign Office had responsibility for such matters. As the Foreign Office has primary responsibility, the Minister may claim that it is not his business, but I say that he should make it his business. Advantage must be taken of the opportunity that is before us. A claim must be pitched at the highest possible level. I do not have the slightest doubt that 10 or 15 years hence the idea of the Commonwealth of Learning—it may have a new name, and the Commonwealth of Learning is itself a new name for what was previously discussed as an extension of the Open university to embrace the Commonwealth—will be recognised as one of the best ever to occur to us. It is a great and simple idea that will be of obvious benefit to the entire nation. Those who look back 10 or 15 years hence will wonder why it was not grasped immediately.

However miserable, backward and reactionary the present Government may be in dealing with the Commonwealth of Learning, the idea is so good that it will overwhelm all the Government's bureaucratic obstacles and anything worse that they produce to block its progress. It is a tremendous idea. In five or 10 years, or whenever, there will be a worldwide Commonwealth university, and the language in which that university will conduct its business will be predominantly English. It will be one of the ways in which the English language will continue its beneficent conquest. Over the next 10 or 15 years English will spread even further and the conquest will be even greater.

English will not be the sole language of the university because there are other wonderful languages to be associated with it. However, as the university is a Commonwealth idea and as it is backed primarily by the Commonwealth, it will be a university in which English is spoken. It will spread throughout the world on a scale never previously conceived. It will be the means by which the highest education will spread into many countries. I do not see how anyone who has the idea put before him can fail to recognise that it is a splendid idea and opportunity for Britain in every possible way. Even if we take the lowest possible estimates of the Prime Minister and the right hon. Lady's antagonism to the welfare state mentality, the proposed university offers huge commercial advantages over the next 10 or 20 years. I do not support the concept on that basis, however, because I do not believe that any great academic institution should be launched with that as its background.

In this context, we are way ahead of all other countries because a previous Government launched the Open university. Its introduction was not the result of a strict commercial calculation of what it would pay in five or 10 years' time. It was decided that a new instrument would be established with the purpose of spreading university education. It was decided also that from the very start the degrees that would be given by the Open university would be of the highest calibre. It was determined that there would be no second or third-rate standards. Instead, the highest standards were set from the outset. That was chiefly the result of Jenny Lee's insistence, she being the first Minister with responsibility for the arts. She insisted on the highest possible standards from the beginning, and these have have been sustained.

The Government have made several mistakes in restricting the entry that could take place into the Open university. Only comparatively limited extra funding is required to make greater entry possible. Notwithstanding some criticisms, the idea is so wonderful that no Government could stand in its way.

Dr. Norman A. Godman (Greenock and Port Glasgow): In some of the remotest communities in Scotland—for example, the Western and Northern Isles—the Open university offers perhaps the only window of opportunity to arts education. The opportunity has been taken up by many citizens, relatively speaking, in these remote communities.

Mr. Foot: I am grateful for that intervention. It shows how far beyond the original idea the Open university has carried its influence and power. It is the greatest university in the country. Its establishment is comparable with that of the National Health Service. Such was the imaginative effect of a great idea that it has been carried far beyond what was originally thought possible.

We now have the chance to achieve the same thing on a Commonwealth scale. We have the expert knowledge of the Briggs report. Lord Briggs, who helped to set up the Open university, is one of the best advisers on how we should go ahead on a Commonwealth basis. India, Canada and other Commonwealth countries are eager to press ahead with the idea and are giving it all possible backing. The other day, Brunei contributed a further £3 million. The British Government, however, have not been prepared to give direct backing and funding to the idea. I know that there is a committee looking into the matter, but that is in no way sufficient. The idea requires direct backing and funding rather than including it within the budget of a particular Department. Anyone who has been in Government knows that every Department argues for its own budget and does not wish to give up any funds for a new venture. All claim that their entire budget is needed to deal with their present responsibilities. No doubt the Minister for the Arts makes the same claim, as do the Foreign and Commonwealth Office, the Department of Education and Science and all the rest. But they are all

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wrong, and they should be overridden by a Government with the sense to give £20 million or £30 million per year to give this new idea a flying start. That is not a huge amount to spend, and it would mean that the Commonwealth of Learning would be established in a very few years. The Minister for the Arts should be more eager than anyone else to push the project ahead.

When I raised the matter in the debate on the Queen's Speech I received no answer from the Foreign and Commonwealth Office, nor in correspondence with the Department since then. The subject was raised at the Commonwealth conference in Vancouver, and no other country sought to block it. What is required is the imagination to find the money now. The project will go ahead anyway, but it should be welcomed and pushed forward with the maximum speed.

Often we are the last people to appreciate the huge advantages that we have in this country and which no other country has to the same degree. If the Russians had the chance to establish a Commonwealth of Learning on a worldwide basis, I suspect that they would have no difficulty finding the money. I will give an illustration. In previous arts debates I have been persuaded to refer to Byron, but I thought that it would be invidious to do so today in case I was accused of advertising.

Mr. Buchan: I have already bought my right hon. Friend's book.

Mr. Foot: For the benefit of those who have not bought it, I will enter it in the Register as soon as possible.

To continue my illustration of the way in which we fail to use the wonderful gifts that we have, a couple of days ago I received a post card from Geoffrey Goodman—a well-known industrial correspondent and journalist and an old friend of mine—who is currently in Moscow. He said that he could not resist sending me a card with a Byron stamp on it. It is a very fine stamp. The Russians are very good at producing stamps and they clearly had no qualms about producing a Byron stamp in the bicentenary year of Byron's birth. When the Byron Society attempted to persuade the British Post Office to do the same, four different approaches were made under different heads. I do not blame any particular individual, but on each occasion the door was slammed with the same lack of knowledge and ill grace. Either they had never heard of Byron or they had heard stories about his misdemeanours. Perhaps they thought that they would be had up under clause 29 of the Local Government Bill if they put his picture on a stamp. I do not know who is the most puritanical member of the Government, but perhaps the Post Office feared that it would have a certain Minister from the Department of the Environment on its heels if it dared to produce such a stamp. As a result, every approach was turned down and we have to rely on Moscow.

That is a common occurrence and it has certainly happened to Byron before. His poem "Darkness"—I shall not recite it, even if provoked—is one of the greatest poems that he ever wrote. In it he foresaw what could be a world nuclear catastrophe before nuclear weapons were even invented. That poem was translated into Russian and published five times when it had scarcely appeared once here. In the five or six years after Byron's death his poems were read all over the Continent while in this country his work was still being suppressed and derided by the Minister's predecessors. There were no Ministers for the Arts or Broadcasting Standards Council censors in the 19th century, but suppression was carried out by even more surreptitious and scandalous means. For generations the truth about Byron was suppressed, but he has won through in the end. I hope that the Minister will take that into account.

In the English language we have a treasure beyond counting. Modern communications and technology have given us the means to spread that language throughout the world in a way that will not offend other people but will bring more people to understand what it is about. The Minister should be pressing for the establishment of the Commonwealth of learning with the utmost speed and imagination.

11.27 am

Mr. Terry Dicks (Hayes and Harlington): I speak with perhaps the only voice of opposition in this cosy little get-together of arts lovers on both sides of the House. The two Opposition spokesmen are both from middle-class backgrounds and the leading spokesman had a public school education, so they could not do other than identify with the pro-arts lobby. The Labour party wants more money for the arts, but the Government say that they have had enough.

Why are we having this discussion? It is because the arts lobby is one of the most effective lobbies in the country. That is bound to be so, because its supporters dominate most of the media. Any evening chat show is bound to include someone from the arts lobby telling us how important it is. But who are the beneficiaries? Certainly the professionals benefit. We all know how Peter Hall has benefited from the taxpayers' money given to the organisations in which he has been involved. He has made a million by manipulating—I do not say abusing—public funds, so he is bound to favour an increase in funding. Others who benefit are ballet and opera lovers—the middle classes, most of whom do not need a penny in subsidy if the truth were known.

The grant to the arts in general is to rise by 22 per cent. to £440 million guaranteed income over three years. The budget for which my right hon. Friend the Minister is responsible is to rise by 17 per cent. from £336 million last year to £394 million in 1991. My right hon. Friend stated in his press release:

"to get this new approach off to a good start"——

that is, the three-year funding—

"I am providing a substantial increase in funding in the first year."

That will be 10 per cent. Yet our old-age pensioners must get by with a 4 per cent. increase and we are removing housing benefit from some people and saying, "You cannot have this £7·50 because the pension that your husband left you when he died is too much." We tell those people that they must struggle because the public purse demands it, but without a second thought we give away £440 million to a group of people who could easily pay for their own entertainment and facilities.

Let us examine the Arts Council—that trendy Leftie organisation that exists on public funds. This year, its grant will increase by 10 per cent. from £138 million to £150 million, and it will increase again to £160 million by 1990. Two people going to see a ballet or opera are subsidised to the tune of £56, yet we pay an unemployed

man and his wife less than £50 a week. There is something wrong with a society that subsidises people to visit the theatre but gives an unemployed man and his wife less on which to survive in a week. Labour Members demand more money for the arts. What sort of Socialists are they? They do not seem to be too worried about the incomes of unemployed people and are demanding more money for people who do not need it.

Why do we provide those subsidies? We are told that the arts are part of our heritage. I have said before, and it bears repeating, that I do not believe that an overweight Italian singing in his own language is part of my heritage. It is not something that my family knows or understands. Am I supposed to believe that a man prancing about at the Royal ballet in a pair of tights and a box is part of my heritage? I do not believe that, and most of the ordinary people in Britain—I represent more ordinary people on this issue than do Labour Members—laugh at the proposition that the arts reflect our heritage.

Who says that the arts must be preserved? Of course, the people who perform in the arts say so. If the arts are so good, why will people not go unless they are subsidised? We are told how wonderful and excellent it all is, that it is part of our background and that we must care for it in the future—but only if someone will pay a third or half of the cost.

Wimbledon football club, which won the cup last week, must survive by attracting enough supporters who pay the economic cost to keep the club running and pay the players' wages. No one says, "The working class like football and see it as an artistic form of entertainment, so we shall subsidise it to the tune of £28 per person."

Mr. Tony Banks: The hon. Gentleman's muscular approach to the arts is well known, but he must accept that some Labour Members believe that football should attract public support. The supporters of Wimbledon do not pay the full economic cost. Much of football benefits from the amount of money that the directors and chairmen of the clubs put into it.

Mr. Dicks: I could not agree more with the hon. Gentleman. My argument is that either we subsidise every activity or we subsidise none. The hon. Gentleman is right about directors, but they choose to spend their money in that way. They do not lobby for someone else to use public taxes to subsidise their entertainment.

What is so special about the arts that makes modern professional football so ordinary? Why does my daughter have to pay the full cost to see a pop concert—perhaps £15 or £20—while someone else's daughter who wants to see a ballet is subsidised? Who is to say that the judgment of my kids about what is art, or what is pleasurable and enjoyable, is wrong while someone who wants to go out in an evening gown with a man in a bow tie should be subsidised? Most people do not understand it and want to end it. Only those who benefit from the subsidies want them to continue.

We must think seriously about the matter. It is not fair to sit here cosily agreeing that there should be subsidies and disagreeing only about the amount. People outside this place wonder exactly what is going on.

The cost of all the subsidies to the arts, including museums, is about £420 million. The saving on housing benefit will be exactly the same. Some elderly and retired people may suffer because of the Government's move on housing benefit. How can we tell them, "We shall make you lose £450 million and we will use the money to subsidise people who wish to go to the theatre"?

Mr. Jessel: Does not my hon. Friend believe it important that our arts and heritage attract visitors to Britain whose spending generates employment and tax yield to the Government? They come here to see our museums, art galleries, heritage, royal things and music. They certainly do not come here for our weather or to watch football.

Mr. Dicks: If they can afford to fly economy or club class on Boeing 747s from the United States, they can afford to pay the full economic cost of going to the ballet or the opera. They could pay to visit our museums.

My right hon. Friend the Minister spoke earlier about the number of paintings and drawings that are left lying in drawers in museums. Why not take them out and sell them? The income could be used for other good public causes. How can we justify covering up paintings or putting them away in drawers for years, and probably paying someone a hefty salary to catalogue them, when we also say that we need more public expenditure? I do not understand why we cannot take the covers off those paintings and auction them to the highest bidder. If a private collector wants to buy them, so much the better. At least we shall get some income from them.

The three-year expenditure is an interesting concept. As a former local authority member, I know that for years local authorities have been saying that the system of local government finance is wrong. Authorities do not know until December or January how much they will have to spend in the next financial year. We are told that it must be done that way because the Government cannot be sure of their income until the last minute. But there is an exception—the arts. The Government have decided to guarantee the income of this wonderful group of people for the next three years, with a 10 per cent. increase on 1 April this year and a 7 per cent. increase next year.

I wrote to the Chancellor of the Exchequer about this, and the Minister's reply said that the Government are doing it because they think that it is the right thing to do and because the arts should be confident about their future funding. We would all like to have confidence and certainty about our future funding. Would it not be nice if we could say to old-age pensioners, "We will give you a guaranteed 10 per cent. increase this year and 7 per cent. next year, and for the next three years you need not worry where the next penny is coming from"? Would it not be nice if we could say to local authorities, "We guarantee your income for the next three years. It will not be reviewed, and you will know exactly where you are going"? Would it not be nice if all areas of the public sector were treated in that way?

What am I told when I query all this? "Of course, you are a philistine and a bit of an eccentric, but we will tell you why. It is only a small amount of money, and we can work this out over three years to keep them happy." I do not accept that. We should respect the arts lobby because of its effectiveness, but it is about time that we burst the bubble and people said, "Hang on. I am Joe Bloggs from down the road. I have nothing to do with Pope or the man from Twickenham." I represent ordinary people who would not

[Mr. Dicks]

know a poem if they read one. Perhaps they even read *The Sun*, but at least they are ordinary people struggling to make a living and not looking for subsidies.

Seeing an opera or ballet is probably the last thing they want to do. But they enjoy watching professional football, they enjoy the commercial theatre and they enjoy the cinema. Some of my constituents enjoy bingo. What about subsidising bingo for ordinary people? It is an art form for them in the same way that watching and listening to a fat Italian singing in his own language, dressed like a woman, is an art form. As far as I am concerned, there is no difference.

I cannot sit here and simply listen to a cosy little get-together by the two Front Benches. The Opposition Front Bench spokesmen are perfect representatives of the middle classes. The people that they speak to in different neighbourhoods probably cannot understand them because they sound like BBC newsreaders. Those are the people that the Labour party put forward to advocate more spending on the arts. It would do that, because not many Socialists could speak like they do, or even believe in that sort of thing. Just look at them, Mr. Deputy Speaker: if they are the Labour party spokesmen on the arts, God help us all.

My right hon. Friend the Minister differs slightly from me in his approach to the arts. However, to be fair to him, he listens, and he grins. It is a good sign that the Minister can laugh. I am sure that he is laughing at me, not at himself. Nevertheless, we have to bring home the message that the arts lobby cannot get away with it all the time. The Prime Minister stood on the stage last year and said that the Government will keep subsidising the ballet—or it could have been the opera. She may want that, but ordinary people are sick and tired of those who can well afford to pay the full going rate for the theatre and the ballet getting away with being subsidised by the rest of us, when groups in our society are losing income and getting no guarantee as to where tomorrow's money, or even tomorrow's meal, will come from.

I ask my right hon. Friend to think carefully. The sooner that he can stand at the Dispatch Box, and shout to the rooftops not that he is reducing expenditure for the arts but that he is doing away with it altogether, the better it will be for many ordinary people and for this odd philistine on the Back Bench.

11.41 am

Mr. Norman Buchan (Paisley, South): The hon. Member for Hayes and Harlington (Mr. Dicks) compared the cuts in housing benefit made by his Government with the amount of money spent on the arts. He asked how we, as Socialists, could explain that. I can tell him how we would deal with that. We would take back the £2,000 million that was given to the richest 5 per cent. in that shameful Budget two months ago and provide money for the arts and money for those poor people in my constituency and that of the hon. Member for Hayes and Harlington who have had money stolen from them by the Government on behalf of the rich. If he were attacking them, as he should be, he would find us on his side. He complained about subsidies for the theatre and the opera, but that is not the whole of art. His daughters go to pop concerts. Music is part of art.

Glasgow city understands the importance of art. That is why the corporation is spending money to bring back some heart, some hope and some joy to people who have been devastated by the Government in terms of job losses. In my city of Paisley the cotton mills which 10 or 12 years ago employed 20,000 workers now employ none. I see the Linwood car factory which a few years ago had 8,000 workers and now has none. I look at Babcocks and Wilcox, the industrial factory just outside my constituency, which once employed 7,000 workers and now employs only 1,000. That devastation has been caused by the Government's fiscal policy. It has been caused by their giving £2,000 million to the richest, instead of giving it back to the poorer people. If the hon. Gentleman were to speak about that, as Byron would have done, we might support him. The hon. Gentleman was making a false contradiction. There is no contradiction between public money for music, theatre and the arts, and a proportion of public money for the poor and the old in society.

That is why I approve of the city of Paisley spending money on saving an old church. During the past two or three years an early 18th century church has been converted from desolation into an arts centre that is used not only by opera lovers but by people who want to play pop, rock and folk music. Does the hon. Gentleman think that Cavallo invented opera out of his forehead, that he woke up one day in the early 17th century and said, "I shall invent opera."? He did not. He drew it from the poorest of the poor, the strolling players with their small plays and their music, which he brought into the courts. The hon. Gentleman at least is at one with us in that the music stolen from the people has to be brought back to the people. He is quite right in saying that it should not be only for those who have subsidised seats and still pay £50. That is why we are in favour of giving money to the arts.

That is why the city of Glasgow, despite its devastation by the Government, is putting money into the arts and making it a city of culture. I could show the hon. Gentleman the People's palace, which reflects the lives and history of the people of Glasgow. That is why we are concerned about money for the arts. Glasgow has paid for the six magnificent panels by Ken Curry in the People's palace which represent the history of the working people in Glasgow whose lives have been so devastated by this Government.

I can give the hon. Gentleman another reason why we are in favour of providing money for the arts. At one time, the arts were an alternative form of communication. If people could not afford a printing press, at least they could sing, they could speak, they could put out their own leaflets. They cannot do that now. The control over the ordinary methods of communication in this country has crept into the hands of three people. The entire popular press is controlled by Maxwell, Murdoch and Stevens. The arts are no longer an alternative form of communication. The arts are virtually the only form of alternative communication that is not in the hands of the powerful and the rich.

That is why we are worried about threats to the future of companies such as 7:84. That company does not play to those whom the hon. Gentleman was attacking. It plays social theatre. It is under attack. I expect that my hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman) will say more about that. I shall not go into detail, but I have a letter from a name that will strike some chords.

Mr. Dicks: May I explain to the hon. Gentleman that I have to leave now and that I do not mean to be disrespectful to him in any way.

Mr. Buchan: We are delighted. We welcome the hon. Gentleman's departure. I hope that he will take some advice from his daughters.

I have a letter about 7:84 and its difficulties, which Joan Littlewood sent to the Scottish Arts Council. It says:

"Dear Sir, What is the matter with 7:84 now? Too good? Not good enough? Or just not orthodox?

I passed my working life in the United Kingdom to the accompaniment of noises from a long line of Arts Council directors telling me that my work wouldn't do for them.

The truth being that they would have liked to see Theatre Workshop in hell since it challenged all the standards they held high. I know enough of John McGrath's work to suspect that 7:84 is in the same boat.

One expects mediocrity from your London Branch."—

That is the Arts Council headed by Rees Mogg—

"I would have been happy to know that Scotland had produced something better by now.

Yours faithfully, Joan Littlewood."

I was sent a copy of that letter because I was one of the people who, 30 years ago, saved Theatre Workshop and established it in the Theatre Royal in east London. We now see companies—of which 7:84 is an offshoot—under the same kind of attack.

As the Scottish Arts Council is only a sub-committee of the Arts Council, I ask the Minister to invite his colleagues north of the border to think again. The chairman of the Scottish Arts Council, Mr. Alan Peacock, is a friend of mine, but I regret to say that he is a free market thinker. Mr. Peacock should reverse what he considers doing about 7:84 and put it back on to proper revenue funding, instead of project funding.

I have been sidetracked by the eloquence of the Philistine hon. Member for Hayes and Harlington. At least he did not quote Pope, which is some advantage.

I want to look briefly at sponsorship. We are told that there will be an 8·4 per cent. increase this year for the arts, and 3 per cent. in each of the next two years. Effectively, there will be a cut in the following two years. Presumably the arts are being given a little pump-priming this year while they look for sponsorship to help them to survive. This increase of 8·4 per cent. equals just over £11 million. A sum of £5 million is already earmarked for the new sponsorship scheme, which is worrying. It will only leave 3 to 4 per cent. to support the remainder of the schemes. If over half this money is for sponsorship, it will go to people only if private support is coming forward. The sinister aspect of this is that the intentions of the artistic directors of the theatre companies, of the writers, or whoever it may be, will be pushed in the direction of schemes which will secure the organisation's private funding. I have seen this happening in my own family. My brother writes plays for the amateur theatre, and over the years he has been reducing the number of actors involved because of the cost. He now writes plays for, say three actors and two actresses. There is a distortion of what can be done.

For a theatre company or any arts company to get funds, it must have proven artistic merit and the ability to sustain that artistic excellence. That should always be the criterion for any funding, public or private. Secondly, it must give evidence that the money will have a demonstrable impact upon the applicant's artistic managerial and financial performance. That also should always be a criterion for support, whether public or private. The new criterion is the third one. This says that it must show evidence that the applicant has the ability to use the money to increase his permanent source of funds from the private sector, and the ability to carry through long-term planning. Therefore, this hailed sponsorship scheme is designed to promote the development of the private sector. It has nothing to do with the quality of the company, but everything to do with its ability to develop and secure the private sector. That is dangerous, because the private sector will set the agenda.

The scheme is even more reactionary than the one in America. The tendency of state funding in America is to earmark those organisations for which it encourages private funding to come forward. In other words, they list those organisations for which they recommend private funding, and which funding they will match if necessary, although it does not match it by very much.

The Government do the opposite. The private sector determines which organisations, which plays and which projects should be supported, and public money must then follow. In other words, the community, and the poor man that the hon. Member for Hayes and Harlington spoke about, have to follow with their public money to fund those organisations that have been determined by the rich and commercial interests as appropriate for sponsorship. This cannot be right. That process does not work for the organisations that need funding.

The Government say that they want to encourage the private sector and the box office, but the box office in certain theatres has been doing well. I take for an example the Citizens theatre. There has been a 117 per cent. increase at the box office, which must cover every possible criterion that the Minister demands. However, it has gained only 0·8 per cent. of sponsorship. The Bush theatre has had an increase at the box office of 44 per cent., but has no sponsorship. Another example is the Hammersmith Lyric, which has increased its box office receipts by 117 per cent. but has seen an increase in its sponsorship of only 1·1 per cent.

One of the three theatres to which I am closest is the Theatre Royal at Stratford. Philip Hedley informed the National Campaign for the Arts that the Theatre Royal, which was started by Joan Littlewood in one of the poorest boroughs in the country, had abandoned the search for sponsorship in 1984, having paid a fund raiser for three years without managing even to raise his salary. Even the fact that it had won *The Daily Telegraph's* first annual award for the best use of sponsorship money did not seem an attraction. Therefore, sponsorship is dangerous, first because it puts the development of theatre in the hands of the private sector and, secondly, because where it should work, it does not.

I was subverted in my opening remarks by the two astonishing speeches about Pope and the other man. I was going to comment on how astonishing it is that when we discuss the arts we ignore the 90-odd per cent. of the arts with which we should be concerned. The main area of artistic activity in this country is broadcasting—in radio and television—as well as popular theatre and pop concerts. However, all the interest has been hinged on the tiny sector that is supported by the Arts Council. It is nevertheless, a crucially important sector, for the reasons that I have given and because the arts are now the only alternative form of communication.

[Mr. Buchan]

We must look at what is happening in that general area of communication. In one sense I do not distinguish between fact and fiction in communication. If I make a speech on unemployment and try to say that unemployment is a bad thing, that is no different from "The Boys from the Black Stuff", which is a play deploying the theme that unemployment is a bad thing. The connection between the two is communication. However, what we are seeing now is highly dangerous. A whole series of actions are putting at risk freedom of communication and freedom of expression. Just as the shades are going up in the Soviet Union with glasnost, so they are coming down here in several sinister ways.

It is worth listing what is happening, because, just as the private sector affects the development of the arts, of theatre and expression, so other things are affecting other aspects of communication. First, there is commercial monopoly and the fact that 80 per cent. of the popular newspapers in this country are controlled by three people. Secondly, at least two of those three people, joined by Berlusconi in Europe, are now buying, or have bought, into satellite broadcasting. Satellite broadcasting—indeed, all broadcasting—is moving towards deregulation in this country. The monopoly of the press will be repeated by monopoly in satellites because deregulation—removing controls in broadcasting—does not give freedom for all to broadcast. It gives to a few rich people freedom to broadcast. I cannot buy a satellite because I cannot afford it, but Maxwell and Murdoch can.

This country's great history of a free press has degenerated into monopoly control by three people, and the same will happen to the future of broadcasting under the Government's plans. Alongside the handing over of television to further commercial monopoly by deregulation in the Peacock report, and through the Green Paper on radio, we are seeing more and more direct intervention by the Government, prodded incidentally by Rees-Mogg, for example, on "Real Lives." The man who was put in to defend standards has initiated attacks on and interventions into broadcasting. That is why we see his appointment this week as not only wrong, but sinister.

As well as "Real Lives", there was Zircon and the attacks by the right hon. Member for Chingford (Mr. Tebbit) on the BBC and Kate Adie—the terrifying of the broadcaster and the creation of self-censorship in broadcasting. Broadcasters do not save themselves by self-censorship. They censored themselves over Zircon, but in the following week the police invaded the BBC in Scotland for those tapes. Self-censorship merely lowers the threshold at which censorship takes place.

The great phenomenon of communication—the marvellous gem of opportunity for communication in broadcasting, whether in the arts, theatre, music or documentary communication to tell us how the world works—is under threat more and more, as we saw with Zircon and "Real Lives". Those are examples of direct intervention on top of monopoly control. There is also the question of technological development and of satellites moving out of public control and regulation and into private monopoly sector control, which is dangerous.

The Government are beginning to surrender our public libraries to the private sector, as proposed in the Green Paper on libraries. When Hans Sloane left his collection to start the British museum, he said that it would be the future basis of the museum and said that

"it might be kept for the use and benefit of the public who may have free access to view and peruse the same."

That is no longer the case. Viewing museums is now becoming limited to the people who can afford it.

When I spoke to Doctor Cossons' the director of the National Maritime museum, he defended the introduction of charges at that museum on the grounds that people make a special trip to the musuem and that this would merely be a small additional cost. He said that he would not dream of introducing charges in South Kensington, yet he is now director of the Science museum and proposes to do precisely that. I do not believe that he wants to do that, but believes that he must do so because of the Government's restrictions. The Government are therefore forcing museums towards the private sector.

I do not understand how the Minister can claim that the museums are doing better and spending more money on research and collation, when fewer people are visiting the museums. All the evidence, including the example of the National Maritime museum, with its exceptional nature of one-off visits, have shown a rapid drop in attendance, and a slow resumption. The Natural History museum started charging a year ago, and attendance has dropped by almost half. Museums are for people, and if attendance drops by half they cannot be a success. A slow build-up can only be at the expense of those who cannot afford to visit the museums.

It was a marvellous occasion for a family with two children from Bermondsey or Battersea to visit the museums in South Kensington. They could visit the Victoria and Albert museum, the Natural History museum and the Science museum. Kids could come to the museums, play with buttons and see things working. They could visit the Victoria and Albert museum and see that marvellous collection of musical instruments that I pop in to see and gloat over from time to time. However, that cannot happen when one has to pay for each member of the family.

The hon. Member for Hayes and Harlington bemoaned our attitude towards the poor, but the worst thing is to deprive them of opportunity. The words of Lord Gowrie, the previous Minister for the Arts, are burnt in my mind. When he opened a library in Ealing in 1984 he congratulated the employees on charging for the peripheral services. He said that it was impossible to charge for books because that would be illegal, not, incidentally, because it would be immoral. He claimed that people appreciate things better when they pay for them. That is the prerogative of the harlot through the ages.

Mr. David Martin (Portsmouth, South): Will the hon. Gentleman give way?

Mr. Buchan: I shall not give way for the moment because the hon. Gentleman has caught me in full flight.

Lord Gowrie added that that would prevent people from coming in on a whim. Where in the name of God are we going? I want people to enter museums or theatres on a whim. That is how we all started. My right hon. Friend the Member for Blaenau Gwent (Mr. Foot) only picked up Byron on a whim, and look at him now—he read the whole of Don Juan in one go, or so he tells me.

A child's interest is sparked off when he enters a museum on a whim. Lord Eccles said that I wanted people

to go into arts galleries to shelter from the rain, but I cannot think of any better place to shelter from the rain. Lord Crawford used to call Lord Eccles "Lord Shekels", and I wish that I had thought of that myself.

Lord Gowrie also said that more resources would be provided if libraries charged. In other words, the purpose of reducing public expenditure—we have seen it happen before—is to try to force more and more on to the cash element. That does not work and it distorts arts provision.

Mr. David Martin: Boots the chemist, helped to introduce libraries with its own travelling libraries and fixed site libraries. It introduced many people to learning and to books, including the poor. Those libraries were put out of business when free libraries were introduced. Does the hon. Gentleman agree that some credit is due to those who provide access to books, sometimes for profit, and that such a service does not deprive as long as it is used widely and the poor have access to it?

Mr. Buchan: I am delighted that Boots ran a cheap library, and that encouraged people to read. I am even more delighted that we learnt the lesson and made those libraries free so that even more people could use them. We thank Mr. Boots for the work that he did, but we have learnt more.

We are discussing the compression of the word. Somebody talked about the great English language, and that is now at risk as a result of the Government's intervention in broacasting in past years. The development of new technology is outside the control and regulation of the people. The language will be used, not as a marvellous instrument, but as an instrument of profit. That is a serious problem.

Imposed upon the structural fear, the monopoly fear, and the Government intervention fear is another quadruple challenge, that of clause 29. This would prevent Plato's Symposium from being taught. My right hon. Friend the Member for Blaenau Gwent may recall that in 1940 a tax on books, similar to VAT on books, was rejected on the ground that one could not tax the word of God. A tax will now be imposed upon Plato. I have already seen a letter issued by Strathclyde region warning schools to be careful in their handling of Plato because of clause 29. Plato's Symposium is in danger, as is "Salomé" and other works by Oscar Wilde. Clause 29 is rubbish. The purpose of the clause is not to censor but to create an atmosphere of fear and timidity so that self-censorship occurs.

That was the purpose of the Obscene Publications Bill that was introduced last year. It also compressed the word. It was intended not to censor but to terrify the writer, the actor, the dramatist, the producer, the director or the theatre manager into the belief that it would be better not to risk doing a certain thing. It is all about self-censorship.

The compression of the word is also threatened by the attack on academic freedom. Thank heavens that our good old reactionary friends in the Lords are a damned sight more progressive than the Tory group in the elected House of Commons. At least they have tried to restore something of academic freedom, but I have no doubt that that progress will be reversed—just as the Tory party is reversing history—when the Bill comes back here. We were faced with the Obscene Publications Bill, and are faced with clause 29 and the threat to the universities. Now the Government have put a gauleiter in charge of the whole caboodle. What a man! The chairman of the Arts Council becomes chairman of censorship. What has happened to the Arts Council if the same man can hold both posts? That man's job is to encourage diversity, to encourage and develop the arts, and, if necessary to challenge the world. That same man is now put in charge to prevent such a challenge. We know what will happen.

I am also appalled by the contradictions within the Government's thinking. They are deregulating broadcasting—claimed in the name of freedom—in the knowledge that it will be taken up and controlled by the rich. That will destroy standards, but then the Government set up a standards council to protect standards. If we deregulate as proposed in the Green Paper and implement Peacock, we will have a ghetto-like section called public patronage, but the rest will be sleazy pap. Having created the structures whereby the only competition will be pap, the Government establish a Broadcasting Standards Council to ensure that it is not too dirty. I fear that it will not be the frivolous dirty that is avoided; it will be the serious. When we discussed the Bill, the only example that hon. Members kept referring to were the bare buttocks in the copulation scene in "The Singing Detective". But that happens to matter. It was important that the child should observe what was happening. It was serious, and the serious will be affected by this.

When the Prime Minister was asked what her reading was, she replied that she was re-reading Freddie Forsyth. As my wife said in a recent letter in *The Independent*, she must be the only person in Britain who would read a who dunnit, know who dunnit and then read it again to make sure. What a standard for a Prime Minister. When the Secretary of State for Education and Science was asked whether he could name any other members of the Cabinet interested in books, he could not think until he was going out of the door, when he said, "Douglas Hurd". That is appalling. When Rees-Mogg, the man put in charge of our standards, was asked what he liked, he said that he liked "'Allo, 'Allo". I do not worry about people liking situation comedies, but I should prefer them to like good ones. We have had "Fawlty Towers", "Neighbours", or "Who Dares Wins" and Monty Python, yet he likes "'Allo, 'Allo"—an imitation of cheap west end sit-comedies of the 1930s. Incidentally, the Resistance is a suspect basis for humour. God help us all.

The word is in danger. Censorship is creeping in. Glasnost is good enough for Gorbachev, but only censorship is good enough for this Government. That is what they have brought the arts to. They have not expanded but have diminished them. I rather like the Minister for the Arts, and I should say that because it does not always sound like it. He is a good guy, but he does not always understand what he is doing. I welcome what he did for Glasgow, making it the city of culture. That is not because we have active national theatres, but because we have an active city with small groups of people busy at the Third Eye Centre, the Citizens' theatre and the People's palace doing among other things, "The Steamie". It comes from the bones—I nearly said the bricks, but it is red sandstone—of Glasgow. The Minister was right to make Glasgow the city of culture.

But the Minister is not helped by his colleague the Secretary of State for Scotland, who has announced a £140 million cash clawback from local authorities. There is no use boasting about what local authorities have done for the arts and at the same whipping back all the cash. That

[Mr. Buchan]

is a contradiction, just as Thatcherism is a contradiction. The Government deprive us of the means of maintaining standards, remove regulations which can develop diversity of opinion, and nominate a gauleiter to control the dirty bits, at the same time as they boast about what local authorities have been doing. The Minister says that they are thriving and throbbing. Even Prince Charles quotes one of our folk songs when he comes to the city. We are delighted with that, but then the Government cut the means and the wherewithal. In other words, it is a case of, "We praise you all, but we shall cut your throats."

This is a bad Government in many ways. They are bad in terms of justice and their attitude towards the poor and needy. They are a Philistine Government and it is time they went.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Order. I remind the House that unless speeches are short some hon. Members will be disappointed.

12.13 pm

Mr. Chris Butler (Warrington, South): I apologise in advance for the fact that, as I am probably the most peripheral Tory Member present, I shall have to leave early.

The tribute that Sir Peter Hall paid to my right hon. Friend the Minister on his incentive funding settlement contrasts starkly with the words of the hon. Member for Stoke-on-Trent, Central (Mr. Fisher) who painted a gloomy picture of misery and sadness. The incentive funding project is having a good effect on the arts. It is encouraging a more independent attitude. It is encouraging arts bodies to become more attuned to the audiences for which they perform, and is having an unexpected effect. It is encouraging a proper evaluation of the artistic objectives of the arts bodies. It is having a beneficial effect not only in terms of funding but in terms of the arts themselves.

A logical extension of my right hon. Friend's policy on the arts would be to move further towards an endowment funding system. This is not a new idea. Bram Stoker, the author of "Dracula", toyed with the idea in 1908 when he thought of funding a chain of theatres with endowments. Such a system would have advantages. It would give full independence to the arts bodies concerned and would allow them to plan with much more certainty.

To achieve the full advantages of endowment, the umbilical cord of current funding would need to be cut. That is essential if the Treasury is to be persuaded to shell out the great capital sums that would be needed up front. I hope that my right hon. Friend will explore further the possibilities of endowment funding. It is a natural development of the successful Conservative policies that he has put in train for the arts.

Now that my right hon. Friend has the financial structures of the arts on the right tramlines, where should he next cast his eagle eye? One of the most maddening aspects of the arts is their tendency to contemplate their navel in endless conferences about administrative structures. It rather reminds me of the Liberal party.

I notice that no Liberal or SDP Members and no SLD Members, or whatever they call themselves nowadays, are attending this important debate. As we know from constituency experience, those parties produce a large amount of paper and push it around. They produced reams of arts policy before the last election. Rather than contributing to the debate, those hon. Members are probably out seeking the leadership of their various parties.

I admit to a twinge of impatience with them and with the arts world over this contemplation of their own navel. It is right that my right hon. Friend should investigate whether the arts are over-bureaucratised. The regional arts authorities have administrative overheads of between 15 and 33 per cent., however that may be defined. Even if we agree that 15 per cent. is acceptable—I put it in the frame of National Health Service overheads of about 7 per cent. —the variation up to 33 per cent. raises questions about the administrative overheads of the regional arts authorities.

I should like to see arts structures streamlined so that administrative overheads are minimised and the artistic pay offs are maximised. There is also the question of the role of the regional arts authorities and how they interlock with the arts councils. I suspect that that relationship could best be described as one of uncreative tension. No strategic thought has been given to the way in which that relationship should develop, and there is scope for investigating how a more efficient arts structure could be devised. I have a sneaking feeling that the present structure promotes hot air rather than hot art.

One of the most pleasing developments of the past few years is the tendency for the private patron to re-emerge I gather that there are individual donations of up to £50 million to the arts. That is excellent. I should like to move further towards the American model of a giving society. One of the most welcome developments was the institution of payroll giving in the 1986 Budget. It is a small but welcome advance towards a giving society and I welcome the Chancellor's decision to double the exempt limit to £240.

The charity agencies have made a slow start, and I gather that the total throughout this year is likely to be only about £5 million. That is a lesser demand on the resources of the Treasury than I suspect was expected. The Chancellor could be far more generous with his exempt limits without blowing a hole in his Budget. I ask my right hon. Friend to have a word with him. I freely declare an interest, in that I still maintain a connection with the Charities Trust.

I am told that architecture often reflects the spirit of the age. I am glad that there are recent signs that architects have become more confident and more justly proud of their creations. Part of the new town of Runcorn is in my constituency; it has a welcome, developing community spirit, and people are proud to live there. Yet when it was originally designed, little attention was given to how humans live. The design of much of it is soulless. Access for vehicles to some of the community's areas is wholly inadequate. Some parts have no pavements and are dangerous for pedestrians. Shops are hard to find and are located in ill-lit bunkers that encourage vandalism. Whole streets have structural design faults and have needed to be repaired. Play areas have been badly sited and designed, and even houses relatively far away have suffered blight as a result There are cell-like flats with portholes in them

which must be difficult to live in. I gather that the architect concerned went on to great accolades afterwards, but I suspect that he would pay not to have to live in the area.

I contrast all this with my home city of Cardiff, where the architects and planners have begun to develop buildings that derive their style largely from the past—from William Burges, who designed Cardiff castle. The modern art and style that have developed in Cardiff derive much power and taste from linking with the excellence of the past. From the time when William Burges and his contemporaries crammed their buildings with artistic taste we moved to a period in the 1950s, 1960s and 1970s when architecture seemed chunky, artless, brutal, bald and often structurally unsound.

I remember going to see the Hancock building in Boston, Massachusetts, which was designed by I. M. Pei. At one time, that massive building, glazed all round, had to have four security guards continuously patrolling its base with binoculars,. through which they looked up at the windows and made sure that they were not turning brown, which was the sign that they were about to fall out on the pedestrians below. One might say that that could only happen in America, but not so. Liverpool Roman Catholic cathedral, affectionately known as "Paddy's wigwam", has a £5 million repair bill. The Cambridge university history faculty, built not long ago, was recently considered for demolition. The Sainsbury centre in Norwich, built only nine years ago, has a £2 million repair bill.

No wonder Sir Peter Hall sometimes gets tetchy. After all, his National theatre building has grave architectural and design problems and he has had to use up much of his grant patching over many of those grave mistakes. Someone, some time, will have to face up to these problems and I suspect that that someone will be the unfortunate British taxpayer once again. As it stands, the building would have difficulty in being given away.

About 15 years ago, I went to Glasgow and came away frightened by it. Its gloom and grime were foreboding and I would never have thought that the city would become the European city of culture.

Glasgow has shown by determination and motivation what regions can achieve. I understand that it has recently stolen a march on the London docklands by landing the catch of the great nine-hour epic, the "Mahabharatti". It was sold out before many people who would have wished to see it in the metropolis had even heard about it. Nevertheless many of the glitterati and intelligentsia managed to make it up to Glasgow—even the hon. Member for Stoke-on-Trent, Central. Peter Brook was there also. I hasten to add that he is the producer, not the right hon. Member for the City of London and Westminster, South (Mr. Brooke).

Dr. Godman: I am grateful to the hon. Gentleman for his complimentary remarks about Glasgow, given that I am married to a Glaswegian and live on the outskirts of the city. Despite his strictures on modern architecture, the hon. Gentleman will surely agree that not all of it is bad. For example, does he agree that the building housing the Burrell collection admirably fits into its setting within the Pollock estate?

Mr. Butler: I am grateful to the hon. Gentleman. I hope that I had the balance right. I was trying to say that architecture had passed through a rather unfortunate state, but it now seems to be emerging. There are good exceptions, even to the period that I was talking about.

Glasgow was quick off the mark, and proved what regions can do if they have self-confidence. On a national level, too, we are moving towards a more self-confident era. We are emerging from a time when we felt that somehow, we had lost our empire. In the 1970s, the economy passed through bankruptcy, our industrial relations were appalling, and much architecture was devoid of durability and finesse. A parade of public projects gave national investment a bad name.

I sometimes wonder whether future generations will ask, "What monuments did the 1970s and 1980s leave us?" Perhaps they will regard the British Library as an achievement. I listened to what my right hon. Friend the Minister had to say about British Library, and I listened to what he did not have to say about the it. He will not thank me for saying that, but the story of the British Library should be told to the British public, and the lessons should be learnt. It is not helpful to cover up what happened in the past or what may be happening at the moment. It is not helpful for the Department of the Environment to give a blocking response when I ask about the cost of bricklayers.

I wonder what future generations will think of us. I wonder what they will say of us in the year 2000. I am not aware of any Government plans to celebrate the millenium. I should like to see a great exhibition in the Victorian style, suitably suffused, I suppose, with modern European flavour by then. If we determine to do it now, we can do it. It will certainly be a great event. I suspect that it will be a "grand évènement" in Paris, if we do not do it. We need to get away from Opposition Members' gloom and doom. We need the kind of confidence and vision of my right hon. Friend the Prime Minister. On 18 April, she said:

> "It has been part of my great pleasure that now that spirit of community, the spirit of feeling that life is not whole unless the arts are part of it, is returning."

That kind of attitude will bring us towards the kind of society that we wish to see, and the kind of vision that will produce the kind of millenium celebration that I wish to see.

I am reminded of a certain section of "Kelly's Heroes", in which Donald Sutherland was driving a tank—he is a bit hippyish—and said: "Don't come with those negative waves, man . . . Positive waves, man; positive waves."

12.29 pm

Mr. Robert N. Wareing (Liverpool, West Derby): When the Minister for the Arts gloats to the House of Commons that the Government are spending more and more on developing the arts, it is a contradiction in itself. As my right hon. Friend the Member for Blaenau Gwent (Mr. Foot) said, it was the Minister who complained about the welfare state mentality in the arts in Britain. Although the Minister would argue that in real terms the Government are providing more for the arts than before 1979, my hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher) made it clear that that is not true.

That is not the whole story, because when we talk about public expenditure on the arts, we must take into account the ability of local authorities to make provision for arts within their regions. As I understand it, the Office of Arts and Libraries is expecting local authorities to cut their spending on museums and libraries by 4 per cent. in

[Mr. Robert N. Wareing]

1988-89—that, is, from £520 million to £500 million. Spending is to be increased by 2 per cent. in 1989-90 and by 4 per cent. in 1990-91—that is, by less than the expected level of inflation next year. In the past, local authorities have taken a lead in ensuring that there is not only provision for the arts but for ensuring that it is possible for ordinary people to enjoy their heritage.

In Merseyside, the arts are still suffering from the blow inflicted two years ago by the abolition of the Merseyside county council. That local authority spent more than any other in England, outside the Greater London council, in ensuring that the heritage, of the Merseyside region was available not only to its citizens but as an attraction for those who came to this country. Unfortunately, the Merseyside county council was a victim of the fanatical Right-wing extremist in 10 Downing street and her political bigotry and vandalism, and it has gone. Many fear for the future of the arts heritage on Merseyside, of which all those who live there are very proud.

I was interested to hear the hon. Member for Warrington, South (Mr. Butler)—I know that he is not the hon. Member for Warrington, North, because that is in my constituency—refer to Runcorn, which is in his constituency. Most of the people in that area still look to Liverpool and Merseyside as the focal point for their recreational activity, whether it is sport, theatregoing or listening to the Royal philharmonic orchestra. I agree that Runcorn is something of a cultural desert, not because the people are not interested but because the facilities are not available. Like him, I would like to see something more done for some of the smaller areas so that they can develop their own artistic talents.

Merseyside has much to be proud of, whether we talk about the Royal philharmonic orchestra, the repertory theatre at the Playhouse, or the newer addition of the Everyman theatre. The hon. philistine Member for Hayes and Harlington (Mr. Dicks), who has now left us, chided the Opposition Front Bench Members for being the products of public schools. The school to which my hon. Friend the Member for Newham, North-West (Mr. Banks) went might have been publicly provided for but it was not a public school.

On Merseyside we have a creditable community theatre which stems from the working class in the area. We are proud of that. Much of the pop scene which gave Liverpool such a boost during the 1960s stemmed from working-class youngsters who took on a new art form. Some might say that they conquered the world. The art form in which the Beatles and that generation participated is well known from New York to the Soviet Union. It is as well known as Beethoven.

Liverpool museums survived the attacks by the Luftwaffe. Although the buildings in which they were housed were almost entirely destroyed in the blitz of 1941, the museums survived. They are now surviving the attacks of another enemy of the people of Merseyside, the Tory Government, who abolished the county council. They are again beginning to thrive. The Walker and Lady Lever art galleries are both great attractions to people far and wide, not only to Merseysiders. Examples of our historic past —Speke hall and Croxteth hall—are surviving, despite the attacks made upon Merseysiders who want to provide for them, and not because of the Government's antics since 1979.

It was the Merseyside county council, under the promotion of the arts by Socialists such as the late Ben Shaw and a Conservative representative on the county council, John Last, that was responsible for establishing one of the finest maritime museums in the provinces. We also have a labour, working-class history museum. These museums are thriving. They enable Merseysiders and others throughout the country and the world to acquaint themselves with the heritage of ordinary people, including the merchant navy heritage of the port of Liverpool, which gave so much to the development of Britain.

The district councils have been starved of funds over the years. Irrespective of the arguments about the programme of the Liverpool city council during the 1980s, it has been starved of rate support grant. It has lost over £300 million in RSG. Even this year it is subject to rate capping. That authority, perhaps more than any other in the country, has been positively victimised by the Government. During the past year, despite the problems of providing for social services and housing in an area where 29,000 housing needs are unmet, about £1 million of new arts money was delivered by Liverpool city council and other authorities in the area.

Liverpool city council has published a number of strategy documents on tourism, economic generation and cultural activity. All these documents emphasise the crucial role of the arts in the city's economic regeneration. These papers have highlighted the need—I stress this because it is sometimes thought that Merseyside sees things only through rose-coloured glasses—for partnership between the public and private sectors in terms of employment-led initiatives and in the training of local people.

In 1987-88, the city of Liverpool's spending on the arts rose by no less than 400 per cent. and the arts are a major component in Liverpool city council's urban programme bid for 1988-89. I hope that the Minister will look kindly at that bid and use all his endeavours to ensure that it succeeds with his right hon. Friend the Secretary of State for the Environment. I hope that the Government will regard the whole programme with sympathy. Items in the bid in respect of the arts include provision for a proposed new media centre and a number of major training initiatives, including projects at the Playhouse and Everyman theatres as well as a number of initiatives designed to encourage more private sector investment in the region's cultural infrastructure.

The Minister mentioned the Citadel arts centre in St. Helens. That is another example of a Labour-controlled local authority working with a major private sector concern—in this case, Pilkington—where both have at heart the interests of people in the area. They have come together not just to provide for their own people but to act as a source of promotion for the area in general. Sefton district council has also contributed to the Bootle arts development programme, and both St. Helens and Sefton are providing opportunities for young people to acquire new skills in the arts. There are also many important social purposes behind those initiatives.

What have the Government done to assist the arts on Merseyside? The contrast is considerable. Merseyside Arts is not just part of the Merseyside cultural heritage but part of the national cultural heritage. Apart from London, it is

significant that only in Liverpool and Merseyside is the administration of the museums and art galleries the responsibility of a body known as National Museums on Merseyside, because the museums on Merseyside are truly national.

Conservative Members who believe that subsidies should be confined to assisting their friends in the National Farmers Union should note that in subsidising the arts we are often speculating with a view to accumulating more revenue for this country. There is no doubt that Merseyside Arts is a balance of payments asset to the nation's economy. Quite apart from the interests of people involved in the arts, even a philistine would accept that there is economic advantage to be derived from tourism as a result of the invisible earnings which accrue, albeit indirectly, from the funding of the arts.

What about the Government's organisations in this sphere? The Arts Council, still chaired by Sir William Rees-Mogg, is threatening to withdraw funding from the Playhouse and Everyman theatres although those theatres are a vital part of the Merseyside arts scene and responsible for developing important youth and community programmes as well as a joint training strategy with the city council and Merseyside Arts. The Playhouse theatre, and nowadays also the Everyman theatre, are the nursery of our artists and artistes. Over the years, there have been many examples of people who began their careers in repertory in Liverpool and, indeed, those who passed through my hands in a previous incarnation who have gone on to take roles at the Everyman theatre and thence to other things. Some of them can be found in our soap opera culture, if it is fair to describe "Brookside", which is set in my constituency, as cultural. It certainly affords pleasure to millions of people and it provides jobs, which are vital to my area.

It is inconceivable that there should be any reduction in Arts Council funding to the major theatres of Liverpool. I ask the Minister to use whatever influence he has—he must have more influence than most people—to ensure that the Arts Council does not cut its funding.

May I now deal with something that will no doubt be headline news on Tuesday next week—the opening of the Tate gallery of the north. Perhaps the Minister will be there. Unfortuntely, for reasons beyond my control, I shall be unable to attend the opening. But, like the Minister, I have done a little Gulliver's travel and have seen a preview of the gallery.

No doubt there will be a fanfare of trumpets at the Albert dock next Tuesday when Prince Charles opens the gallery. I hope that it will be more successful than some of the Merseyside development corporation's previous ventures. The Minister may have heard of Transworld, which was supposed to transform the international garden festival—until it went bankrupt. He may have heard of the recent proposal to build a private hospital on the Albert dock site, which was to be developed by someone who was recently described by a judge as a con man. But that is another story.

We believe that we can make a success of the Tate. The Government provided £5 million towards converting the old Albert dock buildings. The Office of Arts and Libraries contributed £500,000, and private sources contributed £2 million towards the first phase of conversion, and another £3 million needs to be raised for the second phase. But that is a one-off expenditure. If the Tate gallery is to be more than a cosmetic exercise, so that the Government, and expecially the Prime Minister, can say, "We are doing something for the inner cities," we must tackle the problem of revenue funding. The Office of Arts and Libraries has provided a £700,000 budget, and the Tate hopes to raise £350,000 through sponsorship. It is the inverse of the ratio to which the Minister referred, with £2 of public money for every £1 of private money. But the Tate bid for £1·4 million. It will open on 24 May and it is already underfunded.

The building has three floors. The ground floor will contain a collection, the first floor will be used for exhibitions, and the second floor will also be used for collections. But even before it has opened, the gallery proposes to close the first floor in September. The exhibition programme will be cut only four months after the gallery opens. Exhibitions are essential to art galleries. They are the major form of promotion. They help to pay for many ancillaries such as the bookshops, the reading rooms and the coffee shops.

I understand that even before it opens, the Tate gallery in Liverpool has had to cut its staff by 12. When it opens next Tuesday it will employ 45 staff. Half will be security staff, and half will be involved in the programme. The level of unemployment on Merseyside was reflected in the fact that, when 20 jobs at the Tate gallery were advertised, there were no fewer than 600 applicants.

The present funding allows no staff for a reading room, which is a vital part of an art gallery in the centre of a major city. It was hoped that there would be a community van. Like most export industries—this is one of them—there must be a sound domestic base. There is every reason that the new Tate gallery should contribute to education in Liverpool and Merseyside. It was proposed that there should be a community van as a major commitment to the region. That idea is now being scrapped because there is no money to staff it. That is a deplorable situation. If the Minister has a real commitment to the arts, not only in London but in the regions, I expect that he will take that problem on board and ensure that that major part of the planning of the Tate gallery of the north can be carried through.

There is a need for more baseline funding if the Tate of the north is to be anything more than a one-week wonder. I understand that 11 more staff are required to carry through the commitment to the community van, if there is to be a reading room open to the public, and that about £1·5 million—not the £700,000 budgeted for by the OAL—will be needed for real viability.

I agree with much that has been said by Opposition Members, and indeed by one or two of the comments made by Conservative Members, but I believe that if there is to be a real revolution in the arts, and that the talents of our people are to be shown—it is wrong to say that it is all a public school ideology and that working-class people are not interested in the arts.

When the Liverpool trades council, the oldest trades council in the country, celebrated its 125th anniversary in 1972, there was a huge exhibition of working-class art, presided over by Vic Feather, who was then the General Secretary of the TUC, and we saw the amount of talent of working people. Such talent must not be wasted. It will be wasted unless there is a real commitment, not a philistine commitment, to the arts in this country. I hope that it will not be very long before we can say that there are more dinosaurs in the Natural History museum than there are on the Government Front Bench.

[Mr. Robert N. Wareing]

12.53 pm

Mr. Gerald Bowden (Dulwich): My right hon. Friend the Minister should be congratulated on securing this opportunity in Government time to debate the arts and to give us an opportunity to parade and indulge our preferences and prejudices.

An earlier intervention reminded me of an occasion some 30 years ago when I was a student in Venice. I resented not one jot paying out of my meagre allowance to enter the galleries to look at the Tintorettos and the other paintings.

During that time, I became rather ill and I had to go to a doctor. I was surprised that in the doctor's waiting room —unlike that of my own doctor in London where there were fading and peeling posters stuck up on the walls with sellotape—there were a number of modern Venetian pictures. Those people who were waiting for their consultation were seen to be critically examining the pictures on the wall. There was no doubt that those pictures had a benign and therapeutic effect on those waiting to be treated. I suppose that it was similar to the philosophy that dentists should have fish swimming around in tanks to relax patients.

Thirty years later I went to my own doctor in a not very smart part of London, and I found hanging on his waiting room walls pictures of local London scenes, painted, I think, by local artists. They were not great works of art, but they were originals. I felt that we had taken a long time to get to where we realised that art was not just something in galleries, but something that was all around us—even in doctors' waiting rooms; and that there is nothing immoral about paying to see art in galleries or improper about doctors putting some of their practice profits into providing material to amuse, entertain and distract their patients while they wait for a consultation.

The debate has emphasised that art is somehow in a category of its own. It is a sacred shrine that can be attended only by those who have some business to be there. The hon. Member for Stoke-on-Trent, Central (Mr. Fisher) in his rather grudging and perhaps carping speech referred once or twice to the "art world". I am reminded of Bacon, who, in the 17th century, started an essay by saying:

"What is truth? said jesting Pilate; and would not stay for an answer."

I am glad that the hon. Member remains for a moment. In a somewhat carping speech, he referred on several occasions to the art world: the art world is offended by what the Minister is doing; the art world is affronted by the Government; and the art world is insulted by the priorities. Will the hon. Member tell us who that art world is? Who are this cosy coterie of self-regarding people who pronounce in the public prints about what should or should not be regarded as art, where it should be found and how we should react to it?

Mr. Fisher: The people I was referring to are artists, administrators and audiences all over the country.

Mr. Bowden: I am delighted that the hon. Member included audiences in that group. If it were merely artists and administrators, it would be a limited way of looking at this problem.

We have a problem in the House with keeping in touch with the arts. Our duties here and the structure of our timetable means that we are often unable to attend when the performing arts are most readily available. I place on record my gratitude to the caring Whip, who recently made great efforts to allow me to be absent from my duties in the House to attend a magnificent gala performance of "Ondine" at Covent Garden. I regret that my hon. Friend the Member for Hayes and Harlington (Mr. Dicks) is not here, because I make an offer to him now that, if ever the occasion should arise again when we can persuade the caring Whip to let us both go to the opera, I shall willingly pay the price of his ticket. I am sure that the performance that I saw a week last Monday could not fail to touch even his heart.

I think that there is a place for such a pinnacle of excellence as the royal opera house, Covent Garden provides. It provides a focal point for the arts in London and sets a standard of excellence by which other enterprises can be judged.

At the same time, we should look at the opportunities and challenges that are arising now. For example, there are changes and, as I said, nothing is secure within its boundaries. The arts flow into every area of our public debate. As hon. Members are aware, reforms are taking place in the structure of the Inner London education authority. Some institutions which have previously been supported by ILEA are slightly uncertain about their future. However, such threats and challenges bring forth their own response.

It is interesting to note that one of the lesser but very much treasured galleries in London, the Horniman museum, which provides a great educational function and a great source of amusement, entertainment and information for many people in south-east London and south-east England generally, is responding to the uncertainty about its future by forming its own group of friends. Such public involvement when official state involvement decreases is to be welcomed because it acknowledges that such institutions are not solely the preserve and the product of the state, but belong to the public at large and should be supported actively, and funded, by those who use them.

Alongside the Horniman museum, which is just outside my constituency, there is another, rather more interesting saga of municipal involvement with the theatre. Opposition Members have told us how important it is that there should be support from local authorities and the Government—and everybody else except perhaps the individual—in promoting the arts. I wonder whether, in any other country, a local authority which had the site of Shakespeare's playhouse, the Globe, would not only have been so neglectful of that fact but have set its face like flint deliberately to obstruct a privately funded reconstruction of that theatre, as Southwark council has done over the years. That says volumes in praise of Sam Wanamaker —an American who has come to this country, has helped us to protect our heritage and who has raised, from private finance, the means by which the Globe can be reconstructed on that site. That is an example to all of us of what could and should be done.

If we can release the arts world from its shackles of municipal and state funding—I accept that that must play a part—and if it can find independence elsewhere, the arts in this country will be much healthier.

I want to touch briefly on one other aspect. The question of marketing the arts has arisen from time to time in the debate. There is a case for making sure that the marketing of the arts is done as professionally as possible. We should retain primacy in the art market in this country. Again, we trespass on Treasury territory, because as I understand it, the provisions of VAT may severely prejudice the way in which we enjoy the benefits of the fine art market being based in London. If the Treasury does not take account of its proposals in that sphere, we may well lose that real source of income for this country if the market goes to Japan, America or continental Europe.

Even more important than the financial aspect is the fact that we need to ensure that art marketing, the way in which we present the arts and the way in which we auction and sell artefacts and works of art, remains in this country, and primarily in London.

It is important to consider the broader aspect of the development of the arts to ensure that the conservation, preservation and presentation of art is improved in the future. That takes us back to education. Over the years our art schools have been very successful in producing innovative artists. It is important to ensure that our arts and crafts schools are equally confident in the future of being able to produce people who can restore, gild, frame and reconstruct, all of which are necessary support services that flourishing visual and performing arts require. In that context, we need to regard the arts not only as that special preserve and secret garden owned and tended by the arts world, but as a wider world of arts practitioners and those involved in the support services.

The debate gives us the opportunity to express our confidence in the future. The Government are approaching matters in a sensible way to ensure that support and interest in the arts is generated from a wider field. I welcome the opportunity to exchange vigorous opinions, which have added colour to our debate.

1.6 pm

Dr. Norman A. Godman (Greenock and Port Glasgow): I wish to confine my remarks to the Scottish arts, but in that connection, with my hon. Friend the Member for Paisley, South (Mr. Buchan), I thank the Minister for his part in naming Glasgow as city of culture 1990. I am sure that the right hon. Gentleman would readily acknowledge that that decision was partly in response to Glasgow's importance and vitality as a city of the arts.

The Minister praised the Arts Council for, among other things, its imaginative and sensitive decision-making. There is a good deal of truth in such observations. However, the Scottish Arts Council's decision to withdraw revenue funding from the 7:84 theatre company is appallingly unimaginative and dreadfully insensitive. I assure the House that Scottish audiences will not allow that company to perish. It enjoys an excellent reputation, in Scotland and south of the border, and theatregoers will be disheartened by that daft decision.

The Scottish Arts Council has made several criticisms in reaching its decisions. First, it claimed that there was weakness in the board in terms of the financial and business expertise. Secondly, it claimed that the financial and administrative management of the company left a great deal to be desired. Thirdly, it criticised the company's artistic standards. The first two criticisms are not altogether without foundation, although I dispute the third criticism about the company's artistic standards. A couple of weeks ago John McGrath, the artistic director of the company, said:

"We are prepared to take the Scottish Arts Council's criticisms and concerns very seriously and act positively to fulfil their requirements."

That is a sensible and welcome response to the daft decision taken by the Scottish Arts Council.

A new chairman, Mr. Bill Speirs of the Scottish Trades Union Congress, has been appointed to the company. I remind the House that the STUC has a fine history and an excellent reputation for sponsoring the arts. John McGrath has also recently announced the appointment of Miss. Jo Beddoe to the post of general manager. She is a much respected and highly experienced theatre administrator whose theatrical experience includes employment at the Liverpool Playhouse, the Royal Court and the National theatre. I have no doubt that she will eradicate any of the weaknesses in the administration of the company that have been outlined by the Scottish Arts Council.

The company's artistic standard—I have seen many of its productions—is second to none. I think of the "The Cheviot," "The Stag," "The Black, Black Oil," "Blood Red Roses," "The Almanack," and "The Game's a Bogey." Those plays are well known to audiences throughout Scotland. The company also has a first-class reputation as a touring company from Dumfries to Stornoway and from Kirkwall to Lerwick. It is also well known in Europe and even south of the border.

On Tuesday an article in the *Glasgow Herald*, written by Carl Gordon, said:

"The 7:84 Theatre Company, warned recently by the Scottish Arts Council that its total funding is to be withdrawn from next April, hit back yesterday with an announcement that it has broken an advance ticket sales record with its current production. By yesterday afternoon tickets worth £34,271 had been sold for this week's performance of No Mean City at the King's Theatre in Glasgow and only a few seats were still available."

My wife tells me that it is now impossible to buy one. Because of that demand, Mr. Gordon says:

"7:84 is putting on the play for a further three weeks at the Citizens' Theatre from June 28."

The company is also well known for its adaptations and revivals of old plays by George Munro, Ena Lamont Stewart, Ewan MacColl and Joe Corrie. In that regard, the company not only has a Scottish reputation, but an international one. It is also one of the few companies that works in a variety of non-naturalistic styles.

I assure the House that the company has a high reputation in many of our more remote communities where the opportunities for visiting the theatre and seeing some of the classic plays and others of a more radical, political content are few. I hope that the Scottish Arts Council will rescind its decision in the light of the changes already undertaken by the 7 : 84 company and those that John McGrath has promised to introduce. If that decision is rescinded it would be a fine gesture and win the approval of thousands of ordinary Scottish people.

Some hon. Gentlemen, in their philistine interventions, have talked about the theatregoer as a member of a small elite. They know nothing about Scotland because our theatres are enormously popular with ordinary people both in the urban industrial areas and in the small crofting and fishing communities. I am not here to speak for a small theatre-going elite who live in the west end of Glasgow or Edinburgh's new town.

[Dr. Norman A. Godman]

I remind the House when I talk about the involvement of trade unionists in the arts in Scotland that when the Scottish Trades Union Congress decided to pay tribute to its then general secretary, the late Jimmy Milne, it did not buy him a bottle or case of whisky; it sponsored a concert of his favourite music and included in it a new composition. It was performed by the Scottish National orchestra in the city halls in Glasgow. Therefore, I am speaking on behalf of ordinary people in Scotland when I say that this company must continue to contribute to our theatrical activities. Incidentally, I do not know whether the TUC will pay a similar tribute to Norman Willis. That is up to the TUC.

Mr. Buchan: That is an interesting point. There is every reason why the TUC should do something like that for Norman Willis, unlike for the chairman of the chamber of commerce.

Dr. Godman: I confess that I am not as erudite as my hon. Friend the Member for Paisley, South (Mr. Buchan), nor as well read. I have just been reading again some of Edwin Muir's poetry. I do not know the poetry written by Mr. Willis, but I promise to put that right in the near future.

The STUC was the first TUC to appoint a full-time arts officer and that in turn eventually led to the Mayfest which is under way. Many of the productions are played to capacity houses in Glasgow's theatres and in community centres. Strathclyde regional council—80 out of its 89 councillors are Labour—commissioned several compositions from Peter Maxwell-Davies, so there is involvement in the arts and concern for the well-being of 7:84.

The excellent reputation enjoyed by 7:84 is shown by Glasgow city council helping it to find premises in Glasgow. I only wish that the company would locate itself in Greenock or Port Glasgow, but the chances of that are slim.

The Scottish Arts Council has made a grievous mistake. I hope that its members have the generosity of spirit to make amends to 7:84 and its wide audience.

1.17 pm

Mr. John Bowis (Battersea): This has been something of a Glasgow-dominated debate, but having visited that splendid city and seen its Burrell collection I understand hon. Gentlemen's pride in their city and its achievements.

The debate has been largely interesting and occasionally quirky. I am not pointing a finger in any direction, largely because the person to whom I would point it has gone. There has been the usual repartee between the parties. In this sort of debate it is largely about how fast, how far and, possibly, how—as the ends are broadly agreed. Therefore, one relies on the other oppositions to add spice to the debate. My hon. Friend the Member for Hayes and Harlington (Mr. Dicks), who has now unfortunately left us, certainly provided that. It was pointed out that the third party has not put in an appearance today. Judging by the first draft of this new party's new policy, I suspect that my hon. Friend could happily have written the section relating to the arts and that it would have been adopted without further thought.

His contribution was a sort of blend of Savonarola and Enid Blyton and, as is always the case in his contribution to arts debates, it was enjoyable. My right hon. Friend the Minister spoke about the theatres, operas and so on that he had visited. I hastily consulted my diary to see where I had been in the past few weeks. I, too, can claim a visit to Chichester for the opening of this year's festival season, which was a good production of "Hay Fever".

Chichester festival is an entirely self-supporting enterprise. It receives no funds from the Arts Council or the county or district council, but it has proved very successful in obtaining finance through sponsorship as well as by ticket sales. That is an excellent example of what can be done at the level of excellence that Chichester represents. That would not be possible for many other arts. It is not that they are not excellent, but they are not in the same sort of situation.

The Latchmere theatre in my constituency runs on a shoestring and looks for support through sponsorship or by way of assistance such as publicity from the local council. My diary also contains a record of visits to the Royal Academy summer exhibition. The hon. Member for Paisley, South (Mr. Buchan), who has slipped out for a moment, will no doubt pop in there because there he can see Sir William Rees-Mogg hanging. I got the impression from the hon. Gentleman's speech that that is the way he would like to see Sir William.

I visited the London Sinfonietta in its new residence at Kingston polytechnic and the National Puppet theatre at Battersea arts centre. That centre is a national resource in south London. I also attended a performance of a musical version of "The Pied Piper" at one of my local primary schools. Finally, I opened a new resource video centre for the disadvantaged at the Balham hill gallery.

In following my right hon. Friend's example by looking through my diary, I see a thread of the arts which is perhaps a thread to this debate. The thread of our interest in the arts is a cross-party link and shows just what the arts can achieve and how deeply into our society the arts can and should go. I hope that the arts will continue to receive the support from across our society that they deserve.

Sometimes when one listens to Opposition speeches one is inclined to recognise, enjoy and have an empathy with certain passions. Some of the passions relate to bygone years, in terms of what people can afford to contribute. I do not say that in any slighting way. One must recognise the increasing wealth in society and its increasing spread and say that we can achieve some of the objectives so passionately expressed in new and different ways, occasionally cheaper to the taxpayer.

I enjoyed the speech by the right hon. Member for Blaenau, Gwent (Mr. Foot). I suppose that in Byronic terms he is the Childe of Harold. I will not speak about the many friends of the right hon. Gentleman who seem to end up in Moscow. He wisely spoke about the use of English and the connection between English and the arts in relation to universities. As it develops, our language is very much the mirror of our developing arts heritage. The two intertwine and, of course, there is an international dimension to the arts and to our language.

No Government, be it national or local, can opt out of the arts. I would say that to my right hon. Friend if he were here and I shall say it to him on many occasions in future. Governments can contribute to poor quality in the arts. The hon. Member for Stoke-on-Trent, Central (Mr. Fisher), who opened the debate for the Opposition, spoke

about the arts flourishing despite the Government. As someone has said, that must be right; the arts must flourish despite Government. If the arts become so dependent on Government that they can flourish only with Government involvement, they will become stifled.

I do not want to take that too far: there must be Government support for the arts, but they must not depend on it completely. It may be a sign of the success of an arts policy if the arts can flourish, as some of my hon. Friends might put it, without the Government. There will always be a need for the link; it is, perhaps, a question of terminology.

Governments can harm the arts. Buildings must be built, but a good architect will design something that is pleasing and lasting. A poor one may save money in the short term, but at the expense of the environment. The same is true when the Government are the customers of the arts. One can scrimp and save, but the end product will not last or be of good quality, and ultimately the next generation will not bless us for it. That goes for the grants system, the tax system, and the planning system.

At a time when the Government are seeking to raise standards of education with the national curriculum and other aspects of the Education Reform Bill, this is not the moment to say that the Government have no role in raising standards in the arts. The two must go together; if we want a better educated society we must include the arts as part of that education.

Of course the public purse is not bottomless. Far too many people never go to a theatre or exhibition hall from one year to the next, although they would be sorely disappointed if, as a result of their non-attendance and the Government's non-subvention, every theatre that they passed was full of Paul Raymond's frolics. The other side of the coin is that there is a limit to which the taxpayer who does not interest himself in the arts will go. That is why we have to encourage other sources of funding—ticket sales, quality of performance, and encouraging private patronage are all important.

Just as the barons of yesterday saw it as their duty to support the arts, so we must encourage the barons of today to do likewise. I think particularly of companies, who can do more to sponsor performances and exhibitions. The same is true of the trade unions, with their massive resources. Perhaps we cannot quite envisage Harold Pinter taking up an arts residency in Congress house, but we can at least encourage the unions to sponsor the arts—particularly the community arts.

I know that the television companies are great sponsors of the arts by producing what they do. However, there is a problem with sponsorship by those companies. If they want to show a massive production at, say, Covent Garden, there is an undeniable cost. Covent Garden has its own sponsors, but under the IBA rules the television companies are precluded from talking to Covent Garden's sponsors—or those of Glyndebourne or the National theatre—to work out a quid pro quo under which the name of the sponsor could be highlighted on the credits of the televised version. Perhaps my right hon. Friend the Minister for the Arts could examine that problem with the broadcasting authorities to see whether IBA rules could be adapted to take into account the modern needs of the television companies. I am sure that we all want them to continue supporting the arts.

Without state sponsorship, national and local, large areas of the arts would remain out in the cold. These include the prestige productions of major opera and ballet companies, new forms of the arts, the arts in poorer and remote parts of the country, and the range of community arts. I believe the Government have a good record of funding the arts, and any Minister who has achieved for the first time three-year funding at the level that my right hon. Friend has achieved can be proud of what has been contributed to the arts.

One must be conscious of major companies' continuing need for Government sponsorship to enable them to do more than just put on big performances in London, but to take quality productions to the regions and abroad. There will be economic spin-offs for the country if that is done.

Meagre increases have gone to national companies. This year, the figure reached the dizzy height of a 2·5 per cent. increase for English National Opera. In some cases, there was a zero increase. We must examine whether the 25 per cent. cut that the ENO has suffered since 1979 is right. The ENO has done what the Government and I would ask it to do. It has gone out and got sponsorship. To a considerable extent, needs are not the same as they were in 1979. Nevertheless, as my right hon. Friend knows, there are obstacles. One obstacle is the incentive scheme limitations, whereby the limit is £250,000 in every fourth year. For a large company such as ENO, the grant increase is a mere 1 per cent. per year, however successful it is in raising private sector money.

A small adjustment could be made to encourage even more self-sufficiency among companies. But for English National Opera and its sister company, the London Festival Ballet, as my right hon. Friend knows, there is a much more important obstacle. It is the continuing inability of the Department of the Environment to resolve how they are to receive the money that, after the end of the GLC, was channelled through Westminster city council. Come the new local government finance system, that money will not be able to be channelled through Westminster city council.

The sum involved is not peanuts. In the case of English National Opera, it is about 9 per cent. of its income. For the London Festival Ballet, it is some 23 per cent. of its income. They are major items of expenditure, and they are preventing both companies from planning ahead. When a company has shown that it is willing to get sponsorship, that it can sell tickets, and put on quality productions, Parliament has a duty to respond. It is not the reponsibility of my right hon. Friend the Minister for the Arts, but I urge him to put pressure on his colleagues from the Department of the Environment to get the matter put right.

My hon. Friend the Member for Dulwich (Mr. Bowden) briefly referred to the Horniman museum—I have taken an interest in it through the Education Reform Bill and in the Geffrye museum. We were pleased that, the other day, an announcement was made in the other place that funding is to be secured and that there will be national status for those museums. But it is not total national museum status, and funding is on a temporary basis through the London Residuary Body. The matter needs to be fleshed out a little if those museums are to have confidence in their future. My right hon. Friend the Minister is keen that they should have that confidence. In this case, it is a matter of his talking to his colleagues in the Education Department to ensure that the matter is put right.

[Mr. John Bowis]

Politicians are not the best people to run the arts. We should leave it to bodies such as the Arts Council. We can always keep a safety net by appointing some bodies. The arm's-length approach is correct. Nevertheless, there is a need for a framework.

I declare an interest as a patron of the pub theatre network. These are the club theatres, which are small theatres which produce a lot of good and innovative work on a small scale to small audiences, and which answer a real need. Unfortunately, no set of rules governs them, so when local authorities inspect them to see whether they are meeting the requirements of the law, they are not sure by which rules to judge them.

The local authorities can look at the licensing Acts and say that as it is a club, it must be a drinking club. Occasionally, one gets drinks in pub theatres—surprise, surprise—so they are clobbered by rules designed for drinking clubs. Those rules are there not to protect the public from plays but to protect minors from alcoholism. That needs to be brought into line, particularly as the 48-hour requirement for membership of drinking clubs bears no relation to the needs of a pub theatre.

Club theatres can get clobbered under the cinema club rules, which are there to protect the public from obscenity and bear no relation to the small club theatre. Alternatively, they get clobbered under the licensed theatre rules, which are designed for theatres with a capacity of 150 to 200—rather than 25—and for separate buildings. I know that my right hon. Friend has taken this on board in the past, and I ask him to press the matter, particularly in the light of the current case with the Man in the Moon, which is having problems with its local council of Kensington. Because there are no guidelines or rules on health and safety for these theatres, they should be brought into our artistic life in a structured way as soon as possible.

We have been looking at the arts in general, and have picked up many themes. One is that the more that we can encourage participation in the arts, the more we shall contribute to society. The people who find fulfilment out of discovering their ability in the arts are the people who find self-confidence in their life as well. It may be that they are unemployed or have been in prison or are simply bored. However, if they can find a fulfilment through the arts, they will not be a problem to society. They will not be the vandals of tomorrow. The more that we can do through art in education, not just teaching it but using it, and the more we can do to enable people to participate, the better the society that we shall have to leave to the next generation.

The role of Governments in the arts is a delicate and critical one. It is one of nurturing, encouraging and sponsoring, of intervention without interference, of not controlling but not ignoring. If the Government can find the right balance between fostering by the state and letting children grow tall in the arts, they will have contributed greatly to the well-being of the nation, today and for future generations.

1.38 pm

Mr. David Martin (Portsmouth, South): I have sat through the debate from the opening speech by my right hon. Friend the Minister, and I was pleased to hear him say how important arts are in enriching society. I endorse the closing remarks of my hon. Friend the Member for Battersea (Mr. Bowis) about the importance of the arts to the nation and to all citizens, not just some sections of society.

In that respect, I would quarrel with my hon. Friend the Member for Hayes and Harlington (Mr. Dicks) who gave us the benefit of his wisdom in these matters. It has been suggested by a Minister, who had to take Trappist vows when he became a Minister—he is not in the Chamber—that when my hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens) becomes Prime Minister and forms his first Administration—something we are promised by various opinion polls in the media—my hon. Friend the Member for Hayes and Harlington can be the Minister for the Arts. We shall then see a change of direction. We shall see Mr. Average Citizen getting a far greater slice of the action within the arts than my hon. Friend the Member for Hayes and Harlington asserts is now the position.

Many hon. Members on both sides of the House recognise that the arts are vital to society and are in the finest tradition of any civilization, including Greece, Rome and Egypt. The arts have played an important part in all civilizations and I was pleased to hear my right hon. Friend the Minister underlining their importance in his opening speech. His speech contrasted greatly with that of the hon. Member for Stoke-on-Trent, Central (Mr. Fisher). The hon. Gentleman said that the Government's record on the arts is miserable and claimed that the Government have done nothing. I considered the Newcastle speech to be full of sound wisdom, but the hon. Gentleman thought it to be an unhappy one.

When listening to the hon. Member for Stoke-on-Trent, Central, having heard my right hon. Friend the Minister, I was reminded of something that Burke said of Sheridan and his style of speaking. Burke said that his style was something between poetry and prose, and better than either. The style of the hon. Gentleman was something between dirge and lament, and worse than both. Much has been done by the Government for the arts that has been entirely positive. There is much to highlight rather than to complain about.

I am pleased to see the right hon. Member for Blaenau Gwent (Mr. Foot) in his place. I am looking forward to reading his work on Byron. I sat opposite him in the Library the other day when he removed it from an enormous envelope and began to read it himself. I think that he was being far too modest. I am sure that there will be many readers of his work and that he had no need to sit in the Library and read it himself. Perhaps he will give me a signed copy for mentioning it in my speech and seeking to promote its reading.

The right hon. Member for Blaenau Gwent mentioned Byron, and I noted what he said about the ignorance, as he sees it, that is suppressing the celebration of Byron's 200th anniversary. He said that the event may be censored and that perhaps Britain is going through what Macaulay described as one of its periodic fits of morality. I agree with the right hon. Gentleman that that happens. I remember reading about Oscar Wilde's experiences in the 1890s. Even after he had been prosecuted and found guilty of offences, his plays were being shown in London. What did the theatre managers do? They did not take off the plays. Instead, they removed his name from them, and they appeared anonymously from then onwards. Maybe the

same sort of thing will happen to Byron. I am sure, however, that, with the handling of the right hon. Gentleman, the reputation of Byron will be firmly re-established in the life of the nation. When we come to the 300th anniversary—with the right hon. Gentleman's longevity he might even be around for that—there may well be a different attitude towards Byron. I value hearing the contributions of the right hon. Gentleman because we are all aware of his civilised and well-read ways, which enable him to make such a significant contribution to our debates. I was privileged to hear the latest offering.

I have mentioned the contribution that the arts make to any civilised society and I have referred to Greece and Rome. The Emperor Tiberius established what was called a controller of pleasures. Perhaps that palm might be carried in the Government somewhere between my hon. Friend the Minister with responsibility for Sport and my right hon. Friend the Minister for the Arts. It will please my hon. Friend the Member for Battersea when I say that the Emperor Tiberius, when talking about taxation, said that a good shepherd sheared his flock but did not flay it. There is no doubt that the marrying of private sponsorship and Government funding must be the way forward, without undue emphasis on either. Without both the Government and the private sector being interested in the future of the arts, we shall not have what we want to see. That applies to London and the provinces. I say that especially bearing in mind the area of Portsmouth that I represent.

Portsmouth has a great future in arts and museums. Its museums also have a great past. The hon. Member for Paisley, South (Mr. Buchan) regards charging for entry to museums as disgraceful, but in Portsmouth there is a charge now for visiting HMS Victory, and the Mary Rose also attracts many visitors. As we have heard, charges have been introduced at the National Maritime museum in London and attendance has increased. I see nothing inimical to attendance in the making of modest charges, which add to the total funding and to the attractions and experience enjoyed by people, young and old, rich and poor, when they go to see the exhibits.

The young are given particular encouragement in the museums of Portsmouth. Little has been said in the debate so far about the encouragement of the young, especially in crafts, decorative arts and furniture making. There is sometimes insufficient support and appreciation of that aspect. I see nothing wrong in charging for exhibitions, but some help is essential to encourage young people, especially nowadays when there is the need to find jobs and to acquire many more skills. Skills in the arts must also be encouraged. At present, we rely on sponsorship and those who organise exhibitions have a constant battle to keep going. There is nothing wrong with that, but arts council grants are still vital. Without overdoing it, funding of that kind helps to promote schemes that we regard as important.

The conservation of buildings will always take up a good deal of the budget. We have inherited many beautiful historic buildings which need to be maintained at all times and it is a constant struggle to do so. In that respect, Portsmouth is no exception. Southsea castle dates from the time of Henry VIII and needs continual attention to keep it in good repair. Talking of the need for sponsorship and advertising to arouse people's interest, before I was elected to Parliament I recall seeing an advertisement in the London Underground encouraging people to visit the Tower of London. It carried a picture of Henry VIII asking for a return ticket to the Tower of London with graffiti underneath it saying, "And a single for the wife." I thought that that was an excellent promotion. We must promote the attractions of Southsea castle and those of other cities, not just those in London. I see no justification for making a distinction between one part of the country and another in terms of the importance of the arts.

I understand that the Arts Council also funds musical events and orchestras. The training of young people is equally important in this respect, and I am glad to see that there is to be increased emphasis on arts and music in our schools as a result of the Government's education reforms. It is extremely important to promote and encourage music. I have not yet heard the harpist playing in the Harcourt Room, but I look forward to the experience. I understand that there are no harpists provided in the House of Lords, perhaps because their Lordships are closer to the eternal harps than most of us are. I also look forward to seeing the promotions of the art festivals and orchestras that the Arts Council is so good at promoting and assisting.

I welcome what my right hon. Friend the Minister said today about helping and promoting the arts, which are important. The right balance has been struck between private sponsorship and Government funding. I hope that the arts will continue to be encouraged and that everyone will understand their importance to the nation.

1.49 pm

Dr. Charles Goodson-Wickes (Wimbledon): I apologise to the House for my intermittent appearances in the debate. This was due to a constituency problem.

There is a great artistic tradition in Wimbledon. Wimbledon school of art is recognised nationally and internationally as a centre of excellence in fine art and, more markedly, in theatre design, covering sets and wardrobes. I take special pleasure in seeing the artistic expression in the school reflected in practical applications, but there is some uncertainty about its future funding. In its wisdom, Merton borough council has given the school enormous support over the years, but if it is to fall under the wing of the Polytechnics and Colleges Funding Council, I should appreciate an assurance from my right hon. Friend that the school will not lose any independence. There should be no link between funding and the independence of a centre of excellence which I hope will celebrate its centenary next year.

The Polka theatre in Wimbledon is a unique institution. It is a purpose-built theatre for children. We are lucky to have had it for about 10 years. Not only does it put on magnificent performances, but it has been a pioneer in providing artistic stimulation for handicapped children. As handicapped children are vulnerable in their special ways, so the Polka theatre is vulnerable. I hope that, through the Arts Council and other channels, my right hon. Friend will recognise that small really is beautiful, and that I have just mentioned two instances of it in my constituency.

To continue the theatrical theme, over the years I have researched the artistic works of a forebear of mine, George Clint. He was an artist, mainly in the theatrical world, in the late 18th and early 19th centuries. His works grace the walls of the Garrick club. This morning I have seen hon.

[Dr. Charles Goodson-Wickes]

Members wearing that distinctive—even fluorescent—tie. I hope that they appreciate his works. He has been compared favourably with Zoffany in the past.

The point of mentioning George Clint was that I had immense difficulty finding one of his works, entitled "Falstaff and Mistress Ford". As the hon. Member for Newham, North-West (Mr. Banks) and I floated down the Thames last night we must have passed the site—the announcement was in *The Times* today—of Sir John Falstaff's, or, to be historically more correct Sir John Fastog's house. I was told that the painting was owned by the National gallery, but after a long search it decided that it did not have it. I ended up at the Tate gallery, which admitted that it kept the painting. I asked to see it, and the gallery said that it would require notice. Notice was duly given, and some months later I was told that the painting was reposing in a warehouse in Acton.

I have not had the opportunity to talk to my hon. Friend the Member for Ealing, Acton (Sir G. Young), so I do not know how large the warehouse is or what is in it, but it worries me to think of how many other paintings that are part of our national heritage, which have either been acquired by the nation of have been left to the nation by benefactors, are hidden from public view. One wonders whether full use is made of what may be undiscovered works of brilliance.

I should be most grateful if my right hon. Friend could say something about the Government's policy on—to use a not very appropriate phrase—recycling works of art. This came to mind when I saw a portrait of King James II in the office of my right hon. Friend the Lord Privy Seal. I suggested that perhaps in the tercentenary of the glorious revolution he would recycle that painting for some other work. I do not think that my right hon. Friend the Lord Privy Seal would have any difficulty in replacing that work of art, but I would very much welcome some sign that he is aware of the problem. He may well be the custodian of a repository of much of our national heritage that is not available to the public.

I endorse the Government's policy of making art more available to the public. I welcome the Government's measures towards that end, and I look forward to my right hon. Friend's response to the more general, and perhaps also the parochial, points that I have raised.

1.56 pm

Mr. Tony Banks (Newham, North-West): One thing on which we are all agreed today is that we must congratulate the Minister on securing a debate on the arts. Even the hon. Member for Hayes and Harlington (Mr. Dicks), who has gone for an early bath, would join in those congratulations.

I have been fascinated by the debate, as I always am by arts debates. They are good, they are amusing, in certain respects they are learned, and, of course, they are totally devoid of crowd violence, which makes them a very unusual activity in this place. I was particularly fascinated by the list of places that the Minister had visited—his artistic odyssey. I was sitting there thinking what a lovely job he has and how much we look forward to my hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher) being in that position in the not-too-distant future.

I should have liked the Minister to add to that odyssey by visiting my constituency in Newham to see "The Ragged-Trousered Philanthropist" at the Theatre Royal. I invited him to attend that excellent play, which had full audiences throughout the run. I even threw him the inducement of having a vegetable vindaloo—a real East End bum burner—in my constituency, but he declined. He said that he would come along at a later date; I shall hold him to that because we want him to see what we do in the London borough of Newham.

The Minister made great play with the level of Government spending on the arts. Much will depend on how the figures are interpreted, and what elements are included as to whether one considers that it has gone up or down in real terms. I am satisfied that, even with the welcome increase for this year, we are still not quite back to the level of 1979. That cannot be acceptable. It is completely unacceptable to add abolition money. After all, the Government were replacing, after considerable pressure, what they had effectively removed by the abolition of the Greater London council and the metropolitan county councils.

I shall not go over old ground too often, but I must remind the Minister that when I was the arts chair of the GLC, we increased the arts budget fourfold in real terms in fewer years and we would have continued to increase arts expenditure. Of course, what will happen is that the abolition money will effectively disappear as an identifiable part of the Arts Council budget, which means that the arts will lose that much more.

When one comes to look at the figures, everything is relative. We have heard how much money the Minister has won for the arts. I shall not pour scorn on him. I shall not say that that is an appalling indictment of his period in office. We must welcome everything that we can get. However, putting it into perspective, £362 million, which is the budget for the Office of Arts and Libraries for the current year, is about one third of 1 per cent. of the total central Government spending for 1988-89. That is £6·39 per head of the population. When one compares that expenditure with that of West Germany, where it is three times greater, or of France, where it is four times greater, one realises that public investment in the arts in this country does not stand favourable comparison with many other countries.

A number of hon. Members have asked, "Why spend money on the arts?", and different conclusions have been reached. I say that money should be spent on the arts because it is one of the finest forms of public investment that any country can make. I emphasise the word "investment" because it is an investment in the activities of people at their very best, whether as creators or enjoyers of art. We must continue to say "investment" because it is a "good guy" world. It means that we are seeing a return on the money that we put into something. We do not subsidise the arts, we invest in them. We subsidise farmers. We do not hear many complaints from Conservative Members about that subsidy. We subsidise defence, but we invest in education and the arts. I am still waiting for the terminology on public expenditure to be properly addressed in the House.

How is any age remembered? Often the unpleasant reality of everyday life recedes as one gets further from it. The suffering of the poor, the diseases and the wars all recede and we are left with the lasting monuments of any age. The hon. Member for Portsmouth, South (Mr.

Martin) mentioned buildings, but we are also left with the paintings, the sculptures, the music and the literature. Those are the legacies from past ages that we admire. Those are the bases on which we shall be judged. We shall be judged on what we have created within our society. I think that the hon. Member for Warrington, South (Mr. Butler) touched on that point as well. We shall not be remembered for the obsolete weapons of death and mass destruction; we shall be judged by our art forms.

The hon. Member for Hayes and Harlington (Mr. Dicks) plays the court jester in many respects in our arts debates, but he is nevertheless welcome. His muscular approach to the arts is well known. I remember the statement that he made on a television programme about Pavarotti being an overweight Italian—which he has said again today. He said also that the ballet was something for poofters in leotards. That was the level of his contribution on that occasion. He is to the arts what *The Sun* is to English literature, or what the A-Team is to embroidery.

However, what the hon. Gentleman was saying about selling off art treasures is only a logical extension of the Government's economic policy. I am surprised that he was so quickly rejected by his hon. Friends. It might be that it is only the more enlightened Conservative Members who now confront us, but I am sure that there are many members of the Cabinet who would support the hon. Member for Hayes and Harlington in his call for art treasures to be sold off. We are selling off the silver in terms of the socially owned industries. It will only be a matter of time before the Government start ransacking the British Museum to see what else they can sell off. What the hon. Member was saying had a ring of horrible portent.

There is also some truth in what the hon. Member said about the contrasting ways in which we approach public support for different leisure activities. I join hands with him on the question of why we should regard certain aspects of our leisure activities as unworthy of public support, while other activities are worthy.

We must address that issue. In many ways it comes down to the question, "What is art?" That is not just a philosophical question; it is a question of class and economics. The people will sit in judgment in the Arts Council and, in many cases, in local authorities and Ministries, and those who decide what is art and, therefore, what will receive funding, tend to have the values of white middle-class males. In drawing that to our attention, the hon. Gentleman did us a service—even if that was not his intention.

On the point about selling off things, I refer to the excellent speech of my right hon. Friend the Member for Blaenau Gwent (Mr. Foot) who restored my faith in Pope as a poet. Pope had been murdered by the hon. Member for Twickenham (Mr. Jessel)—to murder a poet is bad enough, but to murder a Pope must be a heinous crime. My right hon. Friend referred to the report on museum charges which has just been published, under the chairmanship of Brian Morris. It states:

"the Minister for the Arts has said that he aims 'to maintain the level of support from public funds [for the arts as a whole], but to encourage subsidised bodies to become more self-reliant in their development and growth'. This is his declared aim. The reality is different. Faced with shortfalls in Government funding, national museums have had to raise money to avoid cutting essential staff. They are having to become self-reliant to keep going."

It is not good enough for the Minister just to wash his hands and say it is a matter for the trustees. The Minister creates the economic climate in which the arts can flourish—he said that himself. Therefore, he must be responsible for the fact that many trustees are being forced to turn to admission charges as the only way in which they can do the sort of things which they know they should be doing. No trustee could sensibly or responsibly want to see a 30 or 40 per cent. reduction in attendances because of the introduction of charges. That must go against everything that every trustee stands for. So why do they do it? The Minister said that it is to improve public facilities. Therefore, they are improving public facilities by reducing the numbers of the public who can enjoy them. As my hon. Friend the Member for Stoke-on-Trent, Central said, attendances do not recover. That is unacceptable to us, as are charges for museums. It is a matter of party policy that when in government we shall abolish those charges.

Tourism has been mentioned. The hon. Member for Dulwich (Mr. Bowden) talked about people paying. There is something to be said for having charges for tourists in museums. Perhaps that could be done through some form of tourist tax, such as a bed tax. The money produced could be given to the museums and art galleries in the form of a subvention from Government. Perhaps the Minister will consider that when he is talking to some of his colleagues.

I also agree with my right hon. Friend the Member for Blaenau Gwent about the Minister's use of "welfare state" as a pejorative term, which was highly obnoxious to us. This mean-minded and pernicious Government are not only trying to dismantle the welfare state, but to turn the word "welfare" into a pejorative term. I do not feel intimidated by the state. I see the state as "us" acting collectively. That is what the state should be. It is not an alien body to be hated or despised or dismantled. The Government's position is equivocal on this because on the one hand the state is held up as a creature which is alien to us all and which is not acting in our best interests; but on the other hand, the powers of the state are being increased and centralised by the Government all the time.

I want the state to spend our money and our taxes on a wide range of activities. I want more of my taxes to be spent on education, housing, health and the arts, and less on defence. It is absolutely right that the state, which, in this respect is central Government plus the local authorities, has taken over as a major patron of the arts from the private patrons of the past. One thing that makes that patronage so important is that it is disinterested, in the best sense of that word. Much private sponsorship is personally aligned to the wishes and the tastes of the board or the chairman of the board or the person who, when taking decisions about the level of business sponsorship, is looking to see whether there will be a good return for the company in terms of PR, image, or free seats for its clients.

We are not opposed to business sponsorship. We do not have any ideological objections to it, as many Conservative Members have towards state sponsorship of the arts, but we are sceptical about the figures quoted. I have written to Colin Tweedy, who does an excellent job at ASBA, and asked for more information because, if the Government are to rely more and more on business sponsorship and quote such sponsorship as a possible golden lifeline for the arts, we need to know whether those figures are accurate.

I very much doubt that those figures are accurate because I do not believe that the Minister can put his hand on his heart and say that he knows for certain that the

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money claimed to be raised through business sponsorship amounts to a particular sum. It is like invisible exports. They were suddenly revised upwards, but, as they were invisible, it is almost impossible to prove whether they are there, although they become convenient when trying to balance the trade figures. That is what the Minister has been doing with regard to business sponsorship for the funding of the arts.

We welcome the Minister's announcement of the 8 per cent. increase in grant to the Arts Council for 1988-89, but it still falls 21 per cent. short of the figure claimed by the council as necessary to meet the needs of its clients at an acceptable level. Three-year funding means 3 per cent. next year and 3 per cent. the year after, unless the Government can work economic miracles. Although they might claim to do so, I can assure Conservative Members that no miracles are being wrought at present.

We live in a candy-floss society. When North sea oil runs out, we will be revealed as the banana monarchy we have become as a result of the Government's economic policies. The 3 per cent. levels of inflation for the next two years do not appear to be realistic, so there will be real cuts for the next two years. Three-year funding is not very helpful if one knows that it will be cut.

The impact of Government cuts on regional arts associations has been severe, when inflation is taken into account. Greater London Arts has had its Arts Council grant cut by 1·8 per cent. It has lost £600,000 in the past two years. It is no good saying that that is a matter for the Arts Council, just as charges are a matter for museum trustees, because the Minister determines the overall budget and must therefore be responsible for the specific decisions that stem from that budget. He cannot duck his responsibilities.

Forty-seven GLA arts organisations have lost their grant this year. The increase for Northern Arts is only 0·6 per cent., which is, in effect, a cut. Merseyside has received an increase of only 2·2 per cent., which is also a real cut. The Council of Regional Arts Associations has calculated that, if the Arts Council is serious in its intention to bring the regions up to the existing levels of London as a minimum acceptable standard, there is an identifiable gap of some £42 million.

The hon. Member for Battersea (Mr. Bowis) made an excellent speech. It was so good that he has now been promoted to the post of the Minister's Parliamentary Private Secretary. That must be the most rapid piece of political promotion that I have ever seen. I have myself suffered a self-inflicted demotion within the past 24 hours, and am surprised to find myself still on the Front Bench. The hon. Member for Battersea referred to the position of the national companies, particularly English National Opera, which is not greatly favoured by the hon. Member for Hayes and Harlington. It has suffered a 25 per cent. cut since 1979, while the national theatre has suffered a 13 per cent. cut since that date. As has been said, the building housing the National theatre is hideous both to look at and to work in. That should be taken into account when the Minister determines levels of grant for the national companies.

We have heard many excellent contributions today and I must mention that made by my hon. Friend the Member for Paisley, South (Mr. Buchan) who spoke about broadcasting. This is an arts debate, but broadcasting is the most important medium for the arts and for the conveyance of information. We are aware just how powerful the arts can be if combined with television. "Cathy Come Home" said more about homelessness than all the political speeches bound together in one fat volume. "The Boys from the Black Stuff" said more about unemployment than any political speech delivered from either Dispatch Box, or any political broadcast.

When we talk about the arts, it is important to recognise the role of broadcasting. We must keep broadcasting free from the dead hand of Government censorship—the new Broadcasting Standards Council—which has been imposed by the wishes of Big Mother in No. 10 in her determination to make the BBC as objective and impartial as *The Sun* and the *Daily Mail*.

My hon. Friend the Member for Paisley, South was absolutely right when he said that there was a conflict in Government thinking. The Government talk about maintaining broadcasting standards and at the same time they opt for deregulation. That, if anything, will guarantee a falling off in standards.

There are many other things that I should like to say, but I have enjoyed myself by listening to the excellent, if somewhat lengthy, speeches from my hon. Friends and from some Conservative Members. This has been a good debate and I am glad that I have had the opportunity to take part.

The Minister has said that he wants to create a climate in which the arts can flourish. That is fine for him, but the climate that has been created by the Government is one of intolerance and bigotry. That makes it difficult for the arts to flourish, notwithstanding any increase in grant. The Minister is a member of a cynical Government, but I would not wish him to have as his epitaph Oscar Wilde's definition of a cynic:

"A man who knows the price of everything and the value of nothing".

2.16 pm

Mr. Luce: With the leave of the House, I shall reply to the debate.

The debate has lasted for five hours and has illustrated the widespread and growing interest of the House in the arts and our heritage. I enjoyed the speech of the hon. Member for Newham, North-West (Mr. Banks), which was sparkling and entertaining, in contrast to that made by the hon. Member for Stoke-on-Trent, Central (Mr. Fisher), for whom I have great respect. I recommend that in future the hon. Gentleman takes an anti-depressant pill before he speaks. He always speaks with such gloom about everything, but at the same time he manages to accept, perhaps grudgingly, that good things are happening in the arts world and to our heritage. The hon. Gentleman likes to say that such good things have nothing to do with me, and he likes to put all the blame on me. I do not mind that, as long as he accepts that the arts are flourishing and expanding. That is all I mind about.

I believe that my hon. Friend the Member for Battersea (Mr. Bowis) put his finger on it when he said that what really matters is to create a climate in which the arts can flourish, whatever the Government. The arts should be as self-reliant as possible and should be independent of any Government. The freedom of artistic expression is at the

heart of success in the arts. The less dependent the arts are on one source of funding, the better. That is at the centre of the Government's approach to the arts.

I shall try to respond to the points that have been made in the debate. I appreciate that in the time left I shall be unable to respond to every point, and should I fail to do so I shall try to write to hon. Members.

In fairness to the hon. Member for Stoke-on-Trent, Central I shall reply to his argument about core funding for the performing arts institutions. He said that, in line with Arts Council policy, such funding is only just keeping in line with inflation and that sometimes it is below it.

This financial year there was an increase of more than £11·5 million over last year to the Arts Council, and the hon. Member for Newham, North-West was good enough to welcome that 8 per cent. increase. A substantial part of that money has been earmarked for certain purposes. The hon. Gentleman may not agree with some of those purposes, for example, some money is to be spent on touring. It is right that excellence in the arts through touring should be made available to as many people as possible.

Mr. Fisher *indicated assent.*

Mr. Luce: I am glad to have the hon. Gentleman's agreement. We are seeing an increase in touring activity.

Some of that money is devoted to the new concept of incentive funding by which, rather than penalising organisations which become more self-reliant by their own efforts, we are seeking to use an element—not a large element—of taxpayers' money to reward success and encourage self-reliance. That is good for the arts and it is right that those who succeed should get some acknowledgement through taxpayers' support.

A third sum has been earmarked for what is described as new developments. This is a decision of the Arts Council. It may be the right decision, and it is for the Arts Council to make that judgment. When taking account of what is happening in the performing arts it is important to realise that these sums are available to encourage particular developments and that all organisations which do well and provide the highest standards of excellence in the arts deserve to receive some acknowledgement through one of these three earmarked sums.

The hon. Gentleman highlighted the important role of local authorities, and I recognise that. They are playing an increasingly important part in arts funding, and I welcome that. The national campaign for the arts recently produced a report on this subject and found that this funding goes across the party spectrum. Some Conservative-controlled authorities and some Socialist-controlled authorities provide good support, whereas some from either side do not give adequate support. Where local authorities have arts or heritage organisations in their area which play an important role for their ratepayers, they should at least give some support. I am not advocating vast increases in sums of money, but they should acknowledge that role.

A debate on the arts without a contribution from my hon. Friend the Member for Hayes and Harlington (Mr. Dicks) would be lacking. As always, he made a colourful contribution, speaking with firm conviction. He chides me for spending too much taxpayers' money on the arts when more should be spent on social services and argues for a continuing debate on how much priority should be given to certain public services and how much taxpayers' money should be allocated. With all these arts debates—this is the third one in which I have taken part—I am coming to believe that my hon. Friend is something of a national institution and that he needs to be preserved. Perhaps I should suggest to the Arts Council that a grant be allocated to ensure that he is preserved. He makes tremendous contributions and I welcome his view that the arts organisations should become as self-reliant as possible in their own interests.

My hon. Friend the Member for Warrington, South (Mr. Butler), who gave notice that he could not be present for my reply, made several meaty points. I agree with his encouragement for endowment funding and his encouragement for more giving. He drew attention to the payroll giving scheme and the fact that its threshold has been increased to £240, and spoke of his disappointment that not enough had come to the arts in that way. I echo that view. I hope that more and more people will, in the current positive climate of lower income tax and higher standards of living, see that that is a good mechanism for giving more to the arts world. I support his view on that.

My hon. Friend talked about the importance of our surroundings and architecture. It has been noticeable in the past few years how much stronger public interest is in our surroundings and environment. We should all welcome that. His Royal Highness The Prince of Wales has played an important role in stimulating that kind of interest, and that can only be good for the country.

The right hon. Member for Blaenau Gwent (Mr. Foot) is in every sense a true House of Commons man and has been here for almost every minute of the debate. He did not appear at all times to be attending fully to every speech, but he has been here throughout the debate, as he always is for arts debates, and I warmly welcome that.

The right hon. Gentleman made some interesting points and said that I should take a stronger interest in the concept of a Commonwealth Open university. I listened with great interest to the right hon. Gentleman's speech and noted his view of the important role that is played by the English language. I shall consult my colleagues who would have some responsibility for implementing the idea that he has put forward.

I listened carefully also to what the right hon. Gentleman said about the museums and galleries report. I take the report very seriously. I have read it, and I shall read it again and study the points that are made in it. I value the role played by the Museums and Galleries Commission and realise that it is important for us to debate this issue.

Some hon. Members were highly selective in the way in which they picked out certain aspects of the report. It is easy for hon. Members to do that. It is an objective report and highlights some of the problems that we face about conservation and storage space. I am glad that the Government have been able to provide a new storage building, costing £11 million in taxpayers' money, in Blyth road, Hammersmith. It will help to overcome some of the storage problems of the Victoria and Albert museum, the British Museum and some of our other national museums.

My hon. Friend the Member for Battersea made a most interesting and stimulating speech. I can reassure him about the Horniman and Geffrye museums. In another place this week it was made clear that the Government will provide financial assistance to these museums. In due course the Office of Arts and Libraries will take over responsibility for them. However, the method of running

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them has still to be worked out. We envisage the establishment of charitable trusts to help the museums in their tasks.

My hon. Friend the Member for Portsmouth, South (Mr. Martin) made an interesting speech. I welcome the fact that he thought that we should give more encouragement to young people in the arts. I draw his attention to the enterprise allowance scheme, which has done a great deal to encourage people to set up their own businesses. A growing number of artists are taking advantage of that allowance, and as a result many are able to become self-reliant and to practise their talents and skills.

My hon. Friend the Member for Wimbledon (Dr. Goodson-Wickes) drew attention to the range of facilities in Wimbledon, such as the Wimbledon school of art and the Polka theatre, and I am grateful to him for doing so. He also drew to our attention the matter of national treasures. I can only repeat what I said earlier, that I shall continue to give the highest priority to ensuring accessibility by the nation to our works of art. I shall do that by a variety of means.

My hon. Friend the Member for Twickenham (Mr. Jessel) made an entertaining speech and fully advertised the celebrations tomorrow to mark the tercentenary of Alexander Pope. He also drew my attention to a painting entitled "The View from Richmond Hill". Representatives of the Government art collection fund are in touch with Marble hill about that and it should be possible to arrange a loan of the picture. I shall take a personal interest to see what I can do to help.

The hon. Member for Liverpool, West Derby (Mr. Wareing) made an interesting speech about Liverpool. I look forward to attending the opening on Tuesday of the Tate of the north. This will be an important event for Liverpool and will make a great contribution to the regeneration of the area. I was very glad that he proclaimed the importance of the facilities of Liverpool, and it should do more, as Glasgow does, to get across to the nation what it has to offer in the way of heritage and the arts. If it did that, the regeneration of Liverpool would take place more quickly.

My hon. Friend the Member for Dulwich (Mr. Bowden) made an excellent speech and proclaimed the importance of self-reliance in the arts, which I entirely endorse.

The hon. Member for Paisley, South (Mr. Buchan) spoke feelingly about the role that Glasgow has to play. I am glad that Glasgow took the initiative in gaining the status of cultural city for Europe 1990. It deserves the credit, and has many facilities to offer. A great regeneration, artistic and economic, is already taking place——

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

BUSINESS OF THE HOUSE

Ordered,

That, at any sitting at which Motions relating to Short Speeches or Public Petitions may be made by a Minister of the Crown, such motions may be proceeded with, though opposed, for one and a half hours after the first of them has been entered upon; and if proceedings thereon have not been previously disposed of, any Amendments to the first such Motion which may have been selected by Mr. Speaker may then be moved, the Question thereon shall be put forthwith, and Mr. Speaker shall then put successively the Question on the said Motion and any Questions necessary to dispose of the other such Motion, which may then be made, and of any Amendments thereto which may have been selected by him and which may then be moved.—*[Mr. Dorrell.]*

Private Members' Bills

2.30 pm

Mr. Ray Powell (Ogmore): On a point of order, Madam Deputy Speaker. It is distressing that the Government are not prepared to allow time for private Members' Bills to be discussed in the House. As you know, Madam Deputy Speaker, we wait quite a long——

Madam Deputy Speaker (Miss Betty Boothroyd): Order. I know the anxiety of the hon. Member for Ogmore (Mr. Powell), but this is not a matter for the Chair. It is a matter that must now be pursued with the Leader of the House through the usual channels. I cannot allow the hon. Gentleman to abuse the Standing Orders of the House by continually raising points of order on this matter. I ask him to pursue his object through the usual channels.

Mr. Powell: Further to that point of order, Madam Deputy Speaker. I respect what you say, because the Chair advises us. When we try to get a ten-minute Bill discussed, and when it has the support of both sides of the House, it should be discussed on a Friday——

Madam Deputy Speaker: Order. The hon. Gentleman is charming and wily. I shall not repeat what I have already said; I am sure that he will see it in the *Official Report* on Monday, and I can take no further points of order on this.

Travelling People (Greenwich)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dorrell.]*

2.31 pm

Mr. John Cartwright (Woolwich): I am grateful for this opportunity to raise once again the intolerable nuisance being suffered by too many of my constituents as a result of the establishment of illegal caravan camps in their midst. This has been a long-running saga thoughout my 13½ years as the hon. Member for Woolwich. The first item in my thick file on the subject is dated 17 March 1975.

I make it clear at the outset that Greenwich council has not been unsympathetic to the needs of genuine gipsies and travellers. During my period as leader of the council in the early 1970s, we provided a site for about 54 caravans on what has since come to be called the Thistlebrook site in Abbey Wood. That site was planned in conjunction with the Gipsy Council and cost more than £300,000. Since then, more than another £100,000 has been spent on clearing the area, which had been contaminated by some of the residents' heavy metal breaking activities.

Although there were a number of travelling families living on the land before the official site was set up, Greenwich council has more than met its obligation under the Caravan Sites Act 1968. It is therefore a designated authority, which gives it the right to take legal action against travellers establishing themselves on the roadside or on publicly or privately owned land in the borough.

Such invasions of caravans occurred rarely in the early 1970s, and mainly in the Abbey Wood area. They were usually brought to an end by legal action after a few weeks. However, as the progressive development of Thamesmead opened up extensive areas of land that had until then been securely fenced off, large-scale caravan encampments became a more regular problem. Nevertheless, there was effective co-operation between Greenwich council, the GLC, which owned Thamesmead, and Thames Water, which also had substantial land holdings in the area.

The necessary legal action was begun as soon as the caravans arrived; it took time to complete and was reasonably effective, but sadly all that changed in about 1982. New political administrations in Greenwich town hall and the GLC adopted a dramatically different attitude to the traveller encampments. Legal action was regularly delayed for months on end, with the result that Thamesmead roadside verges were almost permanently disfigured by caravans. At times, there were more than 100 caravans at Thamesmead—about one fifth of all the unauthorised caravans in the whole of Greater London.

When Thamesmead Town Ltd. assumed full responsibility for the development, the position improved substantially. The impression of an open-door policy towards travellers that was built up during the GLC days was rapidly removed, and the area is now clear of caravans. Even Greenwich council, which previously proposed to provide a second permanent site for travellers in the borough, now seems to have lost some of its enthusiasm. Legal action has been taken to remove illegal encampments, even if not always as swiftly as my constituents would have wished. However, we are now faced with one of the worst cases of illegal occupation in the whole sorry history of the problems.

Towards the end of August 1987, I received complaints from local residents that, once again, travellers' caravans had moved onto the empty land alongside the southern outfall sewer at Church Manorway, Abbey Wood. That site is owned by the London borough of Greenwich, and it has been a regular target for illegal encampments in recent years.

The council's solicitor started legal proceedings that were due to be heard on 16 September 1987, when he intended to apply for a possession order against the travellers. However, on 15 September, he was requested by the deputy leader of the council to adjourn the proceedings. Apparently, that request resulted from discussions that the deputy leader had undertaken with the travellers. The situation was then considered at a special meeting of the relevant council committees on 1 October.

At that meeting, the district housing manager reported that he

"had been inundated with calls and complaints from frightened and concerned tenants in the area."

Local allotment holders were also calling for action to stop trespassing on their nearby plots. There were complaints of

"damage by horses, dogs, travellers' children, and verbal and physical abuse."

The meeting authorised the reinstatement of the legal action to remove the travellers from the land. Unfortunately, by the time the matter came before the courts on 29 March 1988, the council's case had been adversely affected by a decision of the Appeal Court relating to its official Thistlebrook site. The Appeal Court judgment held that all those living on the Thistlebrook site were long-stay residents and therefore not persons of a nomadic lifestyle. In effect, that meant that Thistlebrook was not a gipsy site under the terms of the Caravan Sites Act 1968 and that the council was not fulfilling the requirements of the Act. The Court of Appeal also held that Thistlebrook residents were protected by the Mobile Homes Act 1983.

Despite the Court of Appeal's decision, the council retains its designation under the 1968 Act, as it was granted by the Secretary of State for the Environment. In theory, therefore, the council could try to evict illegal travellers through the magistrates courts, using its powers as a designated authority. However, in the Church Manorway case, the travellers sought an adjournment of the council's action, to enable them to apply to the High Court for a judicial review, on the ground that it was unreasonable for the council to evict them when it had been held by the Appeal Court to be in breach of its statutory duty to provide a site for people of a nomadic lifestyle. The judge granted such an adjournment. We do not yet know whether the travellers have been granted leave to apply for judicial review. Nevertheless, the council believes that similar applications will be made in respect of travellers' camps in the borough, making it difficult or impossible to move them.

The implications of the Court of Appeal's decision in that case are extremely worrying for Greenwich council. It would require it to clear the Thistlebrook site and then to re-let it to travellers, ensuring that they stay on the site for no more than six months at a time. That is certain to be a difficult and lengthy business, particularly as the Court of Appeal appears to have stated that travellers would have the protection of the Mobile Homes Act. The alternative would be for Greenwich council to provide a totally new

[Mr. John Cartwright]

site for a minimum of 15 caravans, to be managed on a short-stay basis. Not surprisingly, the council stated that neither alternative is in any way attractive.

Every other local authority in London and in many other parts of the country apparently operates its caravan sites on the same basis as Greenwich. Therefore, the impact of the complex legal decision will be felt on a national rather than purely local basis, and the whole thrust of the 1968 legislation could be seriously undermined.

Greenwich has sought leave to appeal to the House of Lords, but even if leave is granted, it will take time to resolve the issue and it will add substantially to the overall bill that Greenwich ratepayers must bear as a direct result of the activities of travellers who seem extremely reluctant to travel.

While the law takes its slow and stately course, my constituents in the vicinity of the Church Manorway camp are suffering intolerable nuisance. There are now at least 30 caravans, together with vans and lorries, parked on high ground overlooking the neighbouring houses. Large quantities of rubbish and litter of all kinds have been strewn down the side of the slope. Lorries regularly fly-tip massive quantities of rubble in the immediate area. Some of the travellers regularly burn copper wire and lorry tires. The resulting cloud of acrid black smoke covers the entire neighbourhood.

Worst of all, there are absolutely no sanitary facilities on the site and the standard of hygiene displayed by some of the travellers gives grave offence to many of the neighbouring residents. As one of my constituents put it to me in a letter this week:

"The adults and children just drop their pants and go to the toilet where ever . . . that is just going too far, it's disgusting."

This has been going on since last August. As the warmer weather arrives, there are further complaints about flies, obnoxious smells and frequent sightings of rats feeding on the accumulated piles of filth and rubbish. The concern about the public health hazard is understandable. It is monstrous that we should have such a shanty town established with such primitive conditions in inner London in 1988.

The complaints do not relate only to the appalling impact of the encampment on the immediate environment. There are also cases of deliberate vandalism and destruction. The bowling green of the nearby Royal Arsenal sports club has been systematically dug up. Bricks and bottles have been strewn over the playing surfaces, and the groundsman has been physically threatened. It is unreasonable to expect residents to put up with such behaviour for months on end, while the courts argue out the finer points of the law.

Even Greenwich council has now been forced to consider using the Public Order Act 1986 to move some of the caravans that are now on allotment land. However, there are apparently difficulties about attempting to use these public order powers against the main encampment, since the travellers claim that they were given permission to stay on the land by the council's deputy leader.

What makes me particularly angry about this issue is that most of those who support the travellers' cause do so from a distance. They do not have to put up with the sort of conditions that my constituents in Abbey Wood and Thamesmead have regularly had to endure. I cannot help feeling that if travellers established themselves on Blackheath, or similar pleasant middle class areas, a way to move them would soon be discovered.

Nor is there any truth in the suggestion that the Thamesmead development has deprived travellers of their traditional camping sites. Before it was opened up for building, this land was occupied by the Woolwich arsenal, and it was totally secure. Even if they had been able to get into the land, the travellers would certainly not have been camping in between the remains of guns, shells, explosives and all the other military hardware that littered the land.

As the House will understand, this is an issue on which I feel strongly on behalf of my hard-pressed constituents. I have raised the general principle with successive Ministers who have had the misfortune to include responsibility for gipsies and travellers within their departmental briefs. I have raised it in the Chamber, in written questions, in correspondence and in personal meetings with Ministers, and, I must confess, with little obvious result.

The traditional attitude of Ministers was summed up by the present Secretary of State for the Environment in a written reply last year. After yet another review of the legislation, he told an expectant world:

"The Government have decided that there should be no amendment of the legislation at this stage, although we shall continue to keep the position under review."—*[Official Report,* 6 February 1987; Vol. 109, c. *856.*]

This is my first encounter with the hon. Member for Broxbourne (Mrs. Roe), the present Minister to deal with the matter. I hope that she will not offer that time-honoured ministerial formula, and instead will offer us some ideas as to how we can sort out the legal catch 22 in which Greenwich and many other local authorities seem to be trapped as a result of the Appeal Court ruling. Most important of all, I hope that she will offer some message of sympathy and some encouragement and hope to my Abbey Wood constituents, who have unfairly been asked to put up with far too much for far too long.

2.43 pm

The Parliamentary Under-Secretary of State for the Environment (Mrs. Marion Roe): I am grateful to the hon. Member for Woolwich (Mr. Cartwright) for raising the issue of travellers' encampments in the Greenwich area. I know that this is a subject close to his heart and one that he has raised before in the House, in correspondence and elsewhere.

I entirely share the hon. Gentleman's concern for the residents of Greenwich and for the need to ensure that public order is maintained and the law upheld. It is common ground between us that gipsies, like everyone else, must comply with the law. I hope that it is also common ground that the way forward is through the provision of adequate sites for gipsies. The Government are fully committed to this approach.

The hon. Member will recall that in February last year my right hon. Friend the Secretary of State announced his conclusions, following the review of policy for the provision of gipsy sites. He concluded, after a careful examination of responses to a consultation letter and after considering the analysis of these responses by an independent adviser, Professor Gerald Wibberley, that the

way forward was to continue with the present legislative duty to provide sites coupled with the additional controls available through designation.

I think it might be helpful if I were to outline briefly what the law has to say on the subject of gipsies. County, London borough and metropolitan district councils have a duty under section 6 of the Caravan Sites Act 1968 to provide sites for gipsies residing in or resorting to their areas. For London boroughs and metropolitan districts, this duty is restricted to provision for up to 15 caravans at a time. However, in a number of London boroughs, such as Greenwich, there are more than that number of gipsies who have by long custom been encamped in these areas. Where this is so, and authorities can arrange for their accommodation, they should do so.

When my right hon. Friend can be satisfied that adequate provision exists for the accommodation of gipsies in a particular area, or that in all the circumstances it is not necessary or expedient to make adequate provision, he can consider an application from the local authorities, which have a statutory duty to provide accommodation, that the area should be designated under the provisions of the Caravan Sites Act 1968. Designation gives the authorities greater power to control unauthorised camping by gipsies in their area.

We recognise that there may in certain cases be a problem of interpretation of the statutory definition of gipsies. The Act defines them as

"persons of nomadic habit of life, whatever their race or origin."

Local authorities have generally been able to decide who meets this statutory definition for site provision, but the definition is wide and there is increasing concern that other groups may seek the benefits which the Act provides. We are examining this, and it may be that some further clarification will be desirable. I have to stress, however, that the onus of deciding who is a gipsy for the purposes of the statutory duty will have to rest with the local authorities themselves, in the light of the statutory definition.

The London borough of Greenwich is a designated authority which therefore enjoys additional powers for controlling unauthorised camping by gipsies. Where the council owns the land on which the encampment is situated it may apply to the county court for a possession order. As a designated authority the council may also initiate proceedings under the 1968 Act in the magistrates' court to deal with unauthorised camping and secure the removal of unlawful encampments. Where caravans are sited on highways land, the council may anyway take action under the Highways Act.

The Government consider that these powers should be sufficient to deal with unauthorised sites. It must, however, be for the council or landowner concerned to consider which specific legal remedy is most appropriate to deal with a given situation. If local residents are not satisfied with the action being taken by their council, it is open to them to press the council, to refer the matter to the local ombudsman, or to take legal advice. It is not a matter for the Government.

The hon. Gentleman mentioned the use of the Public Order Act 1986. As he will be aware, this Act gives the police powers, acting on a complaint, in certain circumstances to remove trespassers from land. Although the Public Order Act has on occasion been used to deal with gipsies, he will know that it was enacted to deal with the problem of large hippy convoys, and not with gipsies. Greenwich as a designated authority has available to it the various powers that I have just described, and I imagine that the council may well consider it more appropriate to use the special provisions of the Caravan Sites Act, which was framed with gipsies in mind rather than resort to the Public Order Act. I should stress that this is a decision for the council, not for the Government.

I recognise the difficulties that exist over the provision of sites in some areas, including Greenwich, but we should also recognise the progress that has been made. At the beginning of the year there were, countrywide, about 258 local authority sites providing approximately 4,250 pitches for gipsy caravans. Additionally, we believe that there are 2,300 caravans on private sites. We recognise, however, that there is still a need for more than 3,000 pitches countrywide to accommodate the considerable number of gipsy caravans for which there is as yet no legal provision.

The Government have given, and will continue to give, extensive assistance to authorities in the performance of their statutory duties under the caravan Acts. We make 100 per cent. Exchequer grant available for sites provided by local authorities, and we have set aside £6 million for this purpose in the current financial year. We have issued advice to local authorities in circulars and in research reports, as a result of which there is a considerable weight of advice available on the location, design and management of sites, as well as on the promotion of private site initiatives.

We supplement formal advice with regular and informal liaison between the Department and individual local authorities, as they may require, to help them in the fulfilment of their statutory duty. In short, we have a legislative package which balances a duty to provide sites with the availability of special controls on unauthorised camping. We try to operate it sensibly and we consider that it can be made to work.

The hon. Member may like to know that the Department has had discussions with Greenwich officials as to the availability of grant for the existing authorised travellers' site at Thistlebrook. We understand that the council has since been considering possible alternative sites in the borough, which would, however, have to be acceptable to the community. The offer of financial assistance stands. It is for the council to take it up.

I understand that the council may be concerned to know where it stands with regard to the provision of gipsy sites in the light of the recent Court of Appeal judgment in the case of London Borough of Greenwich *v.* Powell and another. The judgment as it stands clearly has some implications which we shall need to consider and which might have repercussions for gipsy site policy in a wider context.

I understand that the London borough of Greenwich has petitioned for leave to appeal against the judgment and that it has been agreed that there is to be an oral hearing of the petition, but I understand that no date has yet been fixed for the hearing. Clearly, we must await the outcome of the petition. Until we have it, there is probably not very much that we can or should do in the matter, other than to give careful consideration in cases coming for decision —for example, planning appeals and applications—to the circumstances of the individuals concerned.

It would be entirely wrong for me to comment at present upon the likely effects of the Court of Appeal judgment. I remind the House that that judgment was in

[Mrs. Marion Roe]

fact directed towards the question of security of tenure under the provisions of the Mobile Homes Act. The merits of that question happen to turn on the question of gipsy status of the occupants of the council's site and, by extension, on the status of the site itself. So far as I can detect, local authorities are in general continuing to approach their statutory responsibilities to provide gipsy sites much as before. The problem of unauthorised camping continues to require remedial action, and it continues to be the Government's view that the provision of authorised caravan sites is the best way to provide the remedy.

Concern has been expressed about the eligibility of the borough to continue to enjoy the status of a designated area under the Caravan Sites Act 1968. I assure hon. Members that there is no intention on the part of my Department to take action to disturb the present position. As I said, the important thing is to maintain the status quo until we know the outcome of the petition to appeal. We must then consider what, if any, action is necessary. Hon. Members may be assured that it will be our primary concern to ensure that any action taken is fair to all concerned and continues to tackle the problem of gipsy accommodation need and unauthorised camping.

The hon. Member referred to unauthorised encampments in Greenwich borough. I understand that in the case of Church Manor way, the council has instituted proceedings in the county court, but they have been adjourned by the court following an application by the defendants to the High Court for a judicial review of the council's decision to evict. The council has considered whether in the circumstances it should seek an alternative legal remedy, but it has been advised to pursue its existing action. I appreciate the concern of the hon. Member and local residents, but this matter is wholly within the competence of the local authority. Nor would it be appropriate for me to comment on matters that are before the courts.

I understand that the council has succeeded in obtaining eviction orders in relation to an unauthorised site at Brocklebank. It is also investigating complaints about a site at Bramshot avenue. A major issue here appears likely to be the ownership of the land.

The hon. Member criticised Greenwich council's handling of some of these matters. I appreciate the feeling of frustration among local residents if they see no action taken to deal with long-standing nuisances. The council would doubtless maintain that it has had success in dealing with some unauthorised sites. It has initiated appropriate proceedings elsewhere and cannot be held responsible for difficulties that have arisen on legal proceedings. It would not be appropriate for me to express views on those matters. They arise at local level. As I explained, the council is the locally elected body, which is answerable to its electors for its actions.

The Government's role has been to issue general guidance to authorities about their powers and duties; to offer informal advice, if desired; and to make available 100 per cent. Exchequer grant for authorised sites provided by authorities. I fully appreciate the hon. Member's concern about difficulties that have arisen in his constituency, but I trust that he will accept my contention that adequate provisions for dealing with problems exist. It must be for the local community and, if necessary, the courts to resolve them.

Question put and agreed to.

Adjourned accordingly at three minutes to Three o'clock.

Written Answers to Questions

Monday 9 May 1988

DEFENCE

Defence Estimates

Sir Antony Buck: To ask the Secretary of State for Defence when he intends to publish the "Statement on Defence Estimates 1988"; and if he will make a statement.

Mr. Younger: I intend to publish this year's Statement on the Defence Estimates on Tuesday 17 May.

Transmitter Station (Glengarry Forest)

Mr. Dalyell: To ask the Secretary of State for Defence what assessment he has made of the environmental effects of the proposed ELF transmitter station at Glengarry forest.

Mr. Sainsbury: A full assessment of the environmental effects of the proposed trial ELF transmitter station at Glengarry forest will be made as part of the preparation of a notice of proposed development which, on present planning, is unlikely to be submitted to the Highland regional council before the autumn of this year.

RAF Caerwent

Mr. Flynn: To ask the Secretary of State for Defence (1) if he will list details of ammunition carried through the Newport, West constituency from the Caerwent base to Newport docks during 1987 and planned for 1988;

(2) if he will list the total tonnage of ammunition stored at and transported to and from RAF Caerwent in 1986 and 1987 and planned for 1988.

Mr. Freeman: No. It is not our practice to provide details of the storage of ammunition at particular sites or the movements of ammunition to and from these sites.

Mr. Flynn: To ask the Secretary of State for Defence if he will take steps in the interests of improved security to increase the proportion of ammunition moved from Caerwent by rail.

Mr. Freeman: I refer the hon. Member to the answer I gave him on 18 April 1988 at column *335*.

Mr. Flynn: To ask the Secretary of State for Defence if he will list the financial savings made or planned at the Caerwent base as a result of substituting of civilian escorts for Ministry of Defence police, reductions in the complement of Ministry of Defence police and new contracts awarded to private transport contractors.

Mr. Freeman: I refer the hon. Member to the answer I gave him on 26 April 1988 at column *76*. Competitive bids are sought for the transport contracts at RAF Caerwent and the costs involved are commercially confidential.

Mr. Flynn: To ask the Secretary of State for Defence if he will list the complement of Ministry of Defence police at RAF Caerwent for 1986, 1987 and 1988 and the planned future complement.

Mr. Freeman: It is not our practice to provide information of the sort requested.

Mr. Flynn: To ask the Secretary of State for Defence what facilities are available at RAF Caerwent to breathalyse ammunition lorry drivers.

Mr. Freeman: There are no facilities available at RAF Caerwent to breathalyse ammunition lorry drivers.

Ammunition (Newport Lorry Fire)

Mr. Flynn: To ask the Secretary of State for Defence what ammunition was being carried on the lorry that caught fire on the M4 in Newport on 30 January.

Mr. Freeman: It is not our practice to provide information of this sort.

Submarines (Reactors and Radioactive Waste Disposal)

Mr. Wallace: To ask the Secretary of State for Defence what options his Department has considered for the disposal of reactors and radioactive waste material following the decommissioning of nuclear-powered submarines; and if he will make a statement.

Mr. Sainsbury: The options which have been considered for disposal of the reactor machinery are sea disposal of the entire submarine, land burial of the intact reactor compartment and cutting the reactor plant into small pieces for storage and eventual disposal in a deep site yet to be developed. No decisions have yet been taken about which option should be chosen. The safety and environmental implications of these options will, of course, form part of the Government's deliberations. Any other radioactive waste material will be disposed of in the normal way to Drigg, if suitable for shallow land disposal, or stored pending the development of a deep disposal facility. The spent uranium fuel will be sent to BNFL Sellafield for storage.

Armed Forces (Allowances Review)

Sir Geoffrey Pattie: To ask the Secretary of State for Defence whether the review of armed forces allowances has yet been completed; and if he will make a statement.

Mr. Younger: We have carried out a comprehensive review of all armed forces allowances to ensure that they are up to date, cost effective, and appropriate to the requirements of service life. Most aspects of the review have now been completed, although some further work will be required on service in London, the conclusions on which will be announced by October 1988, and on certain aspects of service in overseas stations.

The outcome provides significant improvements in measures to assist service men when they are relocated. These will encourage and support the individual service housing policies, which have been carefully reviewed. New disturbance allowances rates will benefit all married personnel. In addition, and in recognition of the increasing number of service house owners, new measures will greatly assist the service man who serves accompanied and who occupies his own accommodation. He will now receive compensation at a much higher level than hitherto for the costs of buying and selling which arise from service postings. Moreover, subject to evaluation of all the

changes over the next three years, I envisage a further substantial increase in the limit on reimbursement of legal and similar fees from April 1991.

The new package also goes a long way to removing differences of treatment between married and single personnel and there will be significant improvements in the allowances for seagoers, including help to rejoin their families. At the same time, some existing benefits which are less appropriate to modern service conditions will be phased out. The simplification of certain allowances will produce some savings in administrative costs. Taken with the recently announced armed forces pay review award we believe that we shall have attractive arrangements for modern circumstances which will aid recruitment and retention, and meet, to a much greater extent, the aspirations of service men and their families.

The new arrangements are as follows:

Relocation. A package is being introduced to encourage mobility. For the house owner-occupier aged 30 or over—25 or over in the Royal Navy for allowances in this area—this will allow refunds of up to £2,500 to compensate for the expense of buying and selling a house on a new posting of more than 50 miles from his or her current residence. From 1 October 1988 refunds of tenancy agreement and repossession costs will be available to married and single personnel once in every 12 months period. This refund will be available to single personnel within the appropriate age limits.

Rates of disturbance allowance will be increased very substantially and, in addition to being paid to married personnel, it will, for the first time, be paid also to single personnel aged 30 or over who reside in private accommodation. The new rates for married personnel will be:

Move	*Officers* £	*Other Ranks* £
Into private accommodation (first occupation)	1,200	900
Into private accommodation (reoccupation)	689	517
Into MQs (on posting)	689	517
Into MQs (same duty station)	310	223

Single personnel will be eligible for 75 per cent. of the married private accommodation rates. The child element of the allowance will be £95 for each eligible child.

Assisted house purchase. The resettlement and 50 plus assisted house purchase scheme will cease to be available from 30 September 1994, although from 1 October 1988 the current rate of advance will be increased from £3,500 to £5,000. The Royal Navy long service advance of pay scheme will continue but the rate of advance will remain at £3,500.

A contract scheme for removals, already in existence within the Army, will be introduced within the United Kingdom for all three services from 16 May 1988. Single personnel aged 30 or over will benefit from the scheme. Baggage scales for moves on posting overseas and within the United Kingdom will also be improved across the board. For example, for moves overseas, a married major will get a 41 per cent. increase; a married corporal and a single lance-corporal a 52 per cent. increase.

Major changes will be made in home to duty travel reimbursement. Married quarter occupants will be exempt from a personal contribution, although claims for journeys of three miles or less will remain inadmissible. For those in private accommodation the allowance will be phased out by 1 April 1991; meanwhile, the personal contribution will be increased from three to seven miles to reflect the average distance to work now travelled by civilians. Personnel posted to a new unit less than 50 miles from their home, and who are therefore ineligible for the relocation package, may be paid the cost of excess fares. The amount of excess fares will be based upon the difference in distance travelled between home and the new and old duty units respectively, less a personal contribution of seven miles per day. Single personnel aged 30 or over will be eligible for the first time for assistance under these new arrangements.

Single personnel living-out at their duty station and who are subsequently sent on detached duty will have the period for which the accommodation charge is waived increased from 21 days to 12 months.

Royal Navy and Royal Marines personnel will, in accordance with the RN's accommodation policy, be required to opt for family stability or family mobility. This choice, coupled with the nature of the actual draft—sea or shore—will define which allowances personnel will receive. A service man will be able to change his decision only on the issue of a new appointment or draft. For naval personnel already married, the decision will need to be made on the occasion of the next appointment or draft on or after 1 October 1988, or by 1 April 1989, whichever is the earlier.

As announced in the 1988 pay review, the Government have accepted the AFPRB recommendations that seagoers should receive longer service at sea bonus and that separation allowance for seagoers and hard lying money for surface ships should be abolished. Seagoing personnel will receive extra warrants whilst at sea, and warrant credits to use in their next shore appointment or draft.

Army and RAF married personnel who opt to serve voluntarily unaccompanied on their next posting after 1 October 1988 will be required to pay for their accommodation in addition to the abated food charges. They will also lose their entitlement to separation allowance and separation warrants. Personnel on courses or attachments or postings of less than 12 months will be unaffected by these new regulations.

New arrangements will replace the current United Kingdom leave travel entitlements to basic and separation warrants. There will be a general entitlement to two warrants. Single personnel aged below 25 years of age will retain four warrants per year, as will personnel serving in Northern Ireland. In the Royal Navy, retention of warrants will depend upon rank rather than age. Army/RAF involuntarily separated personnel and Royal Navy personnel who opt for family stability rather than family mobility will be entitled to a total of 12. Each child at boarding school will be entitled to three journeys per year for school children's visits (SCVs) in the United Kingdom. There will be a parental contribution for the first 50 miles of all SCVs. Divorced or separated parents will be entitled to a total of eight warrants to enable them to visit their children. There will be additional shopping warrants for personnel in the Scottish outer isles. First class leave travel for senior officers will be abolished, and destinations will be restricted to nominated destinations in line with the intention that leave travel should be used only to preserve family ties.

Boarding school allowances. Separate allowances will be introduced for preparatory and senior schools to reflect

the differing levels of fees paid. The higher rates for third and subsequent children will be abolished. The new arrangements provide for a minimum personal contribution of 10 per cent. of the fees in respect of any child. Parents of children already receiving boarding school allowance or entering boarding school during the remainder of 1988 will continue to receive the current allowance, appropriately uprated, if the amount is higher than their new entitlement, until that overtakes the current allowance, or until the end of the current stage of education.

There will be a number of other changes including the widening of the criteria for payment of plain clothes grant and allowance to include more personnel who are required to wear plain clothes in the course of their duties with some increases in rates. A new telephone call system will be introduced for personnel serving in Northern Ireland, as will a new allowance to compensate for the excess cost of coal to heat married quarters there.

FOREIGN AND COMMONWEALTH AFFAIRS

Energy Use

Mr. Rowlands: To ask the Secretary of State for Foreign and Commonwealth Affairs what are his Department's target reductions in energy usage for 1988-89; what is his Department's target reduction in electricity usage for lighting in 1988-89; and what investment his Department is planning to make in new energy efficient lighting equipment in 1988-89 to achieve those target reductions.

Mr. Mellor: The Foreign and Commonwealth Office has set a target of 5 per cent. for reductions in energy usage in 1988-89; electricity for lighting and power is not metered separately and it is not therefore possible to set and monitor separate targets for lighting usage.

Most light fittings in Foreign and Commonwealth Office buildings (other than those which we expect to vacate in the near future) have been replaced in the last three to four years by energy efficient lighting equipment recommended by the Lighting Industry Federation and the PSA. We have no separate investment plans for lighting for 1988-89, but energy efficient lighting is being installed during the current refurbishment of the old public offices.

EC Directives

Mr. Teddy Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement explaining the procedures under which directives are classified as stemming from particular clauses of the treaty of Rome, as amended by the Single European Act; and what means are available to member states if they consider that directives are being wrongly classified.

Mrs. Chalker: The great majority of legislation adopted by the Council requires a proposal from the Commission. It is for the Commission to propose the treaty article on which such measures are to be based. The Commission may amend its proposals during the course of discussion in the light of member states' views. The Council may amend any aspect of a Commission proposal, including the legal base, by unanimity. If a member state considers that the legal base of a measure once adopted is incorrect it may seek annulment of the measure by instituting proceedings in the European Court of Justice under article 173 of the EEC treaty.

Mr. Teddy Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the directives which have been made by the various Councils of Ministers under article 100A; and on how many such directives Her Majesty's Government have objected to the use of this clause.

Mrs. Chalker: The following directives have been adopted under article 100A of the treaty. The Government accept the legal base of these directives:

arrangements for summer time
vehicle emissions (two directives)
lawn-mower noise (two directives)
information on technical norms
liquid fertilisers
toy safety

Rain Forests

Mr. Simon Hughes: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had, and plans to have, with the Malaysian Government regarding tropical rain forest management and the effects of forestry on the native tribal people; and if he will make a statement.

Mr. Mellor: My right hon. and learned Friend has had no direct discussions with the Malaysian Government on this matter. However both the federal Government and the relevant state governments are aware of concerns expressed about the environmental and social effects of commercial logging. I understand that the state Government of Sarawak has worked with the Malaysian branch of the World Wildlife Fund to prepare a conservation strategy for the state to help protect the forests and their inhabitants; and that enabling legislation has been passed so that it can be put into effect.

The Malaysian branch of the World Wildlife Fund is moreover continuing to work with the state government in an advisory capacity on conservation in the environment. The British high commission in Kuala Lumpur has reported that both sides regard their co-operation as very useful. The federal Government, for their part, have recently sent a delegation to Europe, led by the Minister for Primary Industries, Dr. Lim Keng Yaik, to explain the management of Malaysian rain forests.

Both we and the Malaysians are members of the International Tropical Timber Organisation, whose objectives balance conservation with trade expansion and diversification.

Angola

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will make a statement on the communiqué issued by representatives of the United States, South African, Angolan and Cuban Governments following their recently concluded meeting in London about the situation in Angola;

(2) what assessment he has made of the implications for United Kingdom policy on the maintenance of stability in southern Africa of the non-involvement of UNITA in the recently concluded meeting in London about the situation in Angola; and if he will make a statement;

(3) what representations he made to the United States, South African, Angolan and Cuban Governments before or during the recently concluded meeting in London about the situation in Angola;

(4) what assessment he has made of the implications for United Kingdom policy on the maintenance of stability in southern Africa of the South African Government's reaction to the recently concluded meeting in London about the situation in Angola;

(5) what is Her Majesty's Government's policy on proposals to link the search for a solution in Angola with an internal settlement in Namibia;

(6) what assessment he has made of the implications for United Kingdom policy on the maintenance of stability in southern Africa of the non-involvement of SWAPO in the recently concluded meeting in London about the situation in Angola; and if he will make a statement;

(7) what is Her Majesty's Government's policy towards the revival at the recent London meeting of the 1978 United Nations' plan for a solution in Angola; and if he will make a statement;

(8) what assessment he has made of the implications for United Kingdom policy on the maintenance of stability in southern Africa of the differing timetables for Cuban withdrawal from Angola envisaged by the South African and Cuban Governments;

(9) what representations he proposes to make to the Governments of the United States, South Africa, Cuba and Angola before their next meeting about the situation in Angola.

Mrs. Chalker: We were not directly involved in the talks held in London on 3-4 May, and it is not for us to comment on the details of them. However, we are encouraged by the progress made and the agreement by all parties on a further meeting in Africa. My right hon. and learned Friend, my hon. Friend the Parliamentary Under-Secretary and senior officials held bilateral meetings with members of all delegations. We support the US-led process designed to secure the withdrawal of Cuban troops from Angola and the implementation of the UN plan for Namibian independence. Withdrawal of all foreign troops from Angola, together with implementation of UN Security Council resolution 435, would contribute substantially to the stability of the region. We encourage all those involved in the search for peace to continue their efforts.

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made, or proposes to make, to the Soviet Union following the recently concluded meeting in London about the situation in Angola.

Mrs. Chalker: We would expect the subject to arise in our regular contacts with the Soviet Union.

PRIME MINISTER

Michael Tighe

Mr. Dalyell: To ask the Prime Minister what steps she has taken to satisfy herself of the existence and validity of the legal authority under which a bug was placed in the hay shed where Michael Tighe was killed; and if she will make a statement.

The Prime Minister: It is not the practice to comment on security matters.

OVERSEAS DEVELOPMENT

Overseas Development (GDP)

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has as to what proportion of gross domestic product each of the member countries of the European Community devotes to overseas development; and what is the average for the European Community Countries as a whole.

Mr. Chris Patten: Precise figures are only available for the eight European Community countries which belong to the OECD development assistance committee (DAC) and in respect to gross national product (GNP). According to the DAC chairman's 1987 report "Development Cooperation" the figures for 1986 are as follows:

Net official development assistance (oda)

	As percentage of GNP
Belgium	0·49
Denmark	0·89
France	0·72
Germany	0·43
Ireland	0·28
Italy	0·40
Netherlands	1·01
United Kingdom	0·32

The net official development assistance of these eight countries represents 0·51 per cent. of their combined GNP.

Southern Africa (Aid)

Mr. Anderson: To ask the Secretary of State for Foreign and Commonwealth Affairs what were the levels of United Kingdom aid to *(a)* Mozambique and *(b)* Angola in the last year.

Mr. Chris Patten: Figures for 1987 are still provisional, but gross British bilateral aid to Mozambique was about £23 million and to Angola about £250,000.

Ethiopia

Mr. Barry Field: To ask the Secretary of State for Foreign and Commonwealth Affairs if he has any current plans to visit Ethiopia.

Mr. Chris Patten: I have no current plans to make a further visit to Ehiopia. I had hoped to do so last month, but the Ethiopian Government told me that this would not be convenient at present. They expressed the hope, which I share, that I would be able to visit at a mutually convenient time in the future.

Mozambique

Mr. John Evans: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the effectiveness of Britain's aid allocation to Mozambique.

Mr. Chris Patten: Our aid programme is welcomed and highly regarded by the Government of Mozambique. Aid from Britain and other donors in support of the Government's economic reform programme has been a factor in Mozambique's estimated 4 per cent. growth in GDP in 1987 and in helping Mozambique to limit the worst effects of the emergency.

Rain Forests

Mr. Simon Hughes: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will give figures for *(a)* the amount of aid and *(b)* the percentage of total aid given by (i) the United Kingdom and (ii) the European Community to developing nations which was designated for tropical rain forest management programmes for each year for which figures are available since 1980; and if he will give projected figures for the same items for each of the next five years.

Mr. Chris Patten: The Overseas Development Administration's statistics do not show separate figures for aid expenditure on tropical rain forest management; nor are such figures available to us for European Community aid.

British bilateral aid expenditure on all types of forestry since 1980 was as follows:

As percentage of net bilateral aid programme

	£ thousands	*Percent*
1980	3,328	0·63
1981	3,792	0·58
1982	4,845	0·91
1983	4,491	0·80
1984	6,224	1·10
1985	6,849	1·10
1986	14,921	2·20

Examples of current British aid commitments to projects concerned with rain forest management include the Korup national park (Cameroon), Maraca island (Brazil), forest reserve management (Sierra Leone), forest reserve inventory (Ghana) and tropical hardwood plantations and maintenance (Ivory Coast).

Under the fifth European development fund, which started commitments in 1981, about £9 million had been committed by September 1987 for forestry projects. Under the sixth European development fund, on which commitments started in 1986, about £27 million has been committed to forestry projects to date.

Likely expenditure in future years cannot be forecast, but I am ready to consider sympathetically sound new proposals.

HOME DEPARTMENT

Summer Time

Mr. Teddy Taylor: To ask the Secretary of State for the Home Department (1) when Her Majesty's Government's representative at the European Council agreed to the directive providing for a common European Economic Community summer time to be introduced after 1990; whether any objections were lodged to its being classified under article 100A which provides for majority vote; and if he will make a statement;

(2) pursuant to the speech by the Under-Secretary of State, the hon. Member for Grantham (Mr. Hogg), on 28 April, *Official Report*, column 617, whether he has given further consideration to the appropriate classification of the summer time directive as being based on article 100A; and if he will make a statement.

Mr. Douglas Hogg: No directive has been prepared as yet to cover any period after 1989. When the Commission proposes the next draft directive, we shall consider most carefully the treaty base proposed in the context of the directive's content.

Prisoners (Escorts)

Mr. Alex Carlile: To ask the Secretary of State for the Home Department if he has any proposals for the introduction of a contracted-out system for the escort of prisoners to and from courts and whilst at courts; and if he will make a statement.

Mr. Douglas Hogg: In his statement to the House on 30 March, my right hon. Friend announced his intention to publish a Green Paper on private sector involvement in all aspects of the remand system. This includes court escorts and manning.

Marches Banning Order (Leeds)

Mr. Fatchett: To ask the Secretary of State for the Home Department if he will call for a report from the chief constable of West Yorkshire on the implementation of the order banning marches in Leeds on 23 April; and if he will make a statement.

Mr. Douglas Hogg: Decisions on how to enforce a prohibition under the Public Order Act 1986 are operational matters for the chief officer of police. I understand from the chief constable of West Yorkshire that a number of assemblies, unaffected by the prohibition on processions, took place and that these were well ordered. The West Yorkshire police are investigating complaints that, as one of these assemblies dispersed, those leaving it formed into a procession.

Firearms

Mr. William Ross: To ask the Secretary of State for the Home Department if he will place in the Library a copy of the extension of his Department's approval to the Drunmore shooting centre on 15 February for small and full bore rifles.

Mr. Douglas Hogg: I would refer the hon. Member to the reply to his earlier question on 31 March, at column 687.

Mr. William Ross: To ask the Secretary of State for the Home Department why his Department authorised the extension of approval for the Drunmore shooting centre on 15 February to cover small and full bore rifles.

Mr. Douglas Hogg: Approval was extended on the request of the club in question, against the criteria set out in the reply which I gave to a question from my right hon. Friend the Member for Woking (Mr. Onslow) on 15 January at column *446*.

Mr. William Ross: To ask the Secretary of State for the Home Department which chief officer of police and of which force has been appointed to assist Mrs. Vickers of the Police Complaints Authority to investigate complaints about operational matters and the administration of the Firearms Act 1968 in relation to the firearms certificate granted and varied to the late Michael Ryan.

Mr. Douglas Hogg: The investigating officer is Mr. G. E. Hedges, assistant chief constable of the Thames Valley police.

Mr. William Ross: To ask the Secretary of State for the Home Department if he will list the rights and entitlements which accrue to a firearms club which is approved by his Department under the terms of the Firearms Act 1968 as against a firearms club which is not approved for the use of small bore and full bore rifles and pistols and revolvers.

Mr. Douglas Hogg: Approved clubs are eligible to apply for a club firearm certificate at no cost. This enables members who do not hold their own firearm certificate to use firearms and ammunition belonging to the club when they are engaged as members in drill or target practice. Members of those clubs which are not approved must hold a personal firearm certificate which specifies the firearms and ammunition they are entitled to possess.

Mr. William Ross: To ask the Secretary of State for the Home Department what representations he has received, giving dates from *(a)* the chief constable of Thames Valley police and *(b)* the Thames Valley police authority, as a result of the inquest into deaths caused by the late Michael Ryan on 19 August 1987, seeking amendments to the Firearms Act 1968.

Mr. Douglas Hogg: None. The chief constable's observations on firearms legislation were included in his report to my right hon. Friend on the shootings.

Mr. William Ross: To ask the Secretary of State for the Home Department if he will call for a report from the chief constable of Thames Valley police as to what disciplinary action giving dates he *(a)* has taken or *(b)* proposes to take against police officers involved in (i) operational firearms matters and (ii) administration of the Firearms Act 1968 in relation to the grant of or variation to the firearms certificate of the late Michael Ryan.

Mr. Douglas Hogg: No decisions on disciplinary action can be taken until the investigation being carried out under the supervision of the Police Complaints Authority has been completed.

Citizenship

Mr. Madden: To ask the Secretary of State for the Home Department how many applications for registration for British citizenship were received by his Department in envelopes date stamped after 31 December 1987; how many such applicants have been told that their applications have been refused and their fee refunded; how many such applicants have been told that their applications have been accepted; and how many such applicants are still to be informed whether their application has been accepted or rejected.

Mr. Renton: Information is not available in the form requested. Approximately 13,500 applications for naturalisation or registration were received in the period 1 January to 30 April 1988. Applications are generally processed in order of receipt and very few post-December applications will have been decided yet.

Security Personnel

Mr. Marlow: To ask the Secretary of State for the Home Department whether security personnel from Arab countries are granted similar rights of access and operation into and within the United Kingdom as those from Israel; and if he will make a statement.

Mr. Hurd: It has been the practice of successive Governments not to comment on security matters.

SCOTLAND

Rating Reform

Mr. Kirkwood: To ask the Secretary of State for Scotland if he will publish in the *Official Report* the number of fully completed community charge registration forms returned in each region in Scotland, the percentage in each area that remain unreturned and the percentage in each area returned which seek a decision by the registration officer.

Mr. Lang: Information in this form is not available centrally. The detailed arrangements for making up the community charges register are for individual registration officers. My right hon. and learned Friend has every reason to believe that the registration process is going smoothly.

Agriculture and Food Regulations

Mr. Bill Walker: To ask the Secretary of State for Scotland if he will make it his policy not to introduce regulations in relation to agriculture and food in advance of the European Community regulations on the same subjects.

Mr. Michael Forsyth: Our general policy is to avoid imposing regulations on our farmers which will place them at a disadvantage with their counterparts elsewhere in the Community but there are occasions, and the bans on the veal crate system and tooth grinding in sheep are recent examples, where practices are so unacceptable as to require us to take the lead.

Mouth Bridge Inquiry

Mr. Kirkwood: To ask the Secretary of State for Scotland when he expects to announce the reporter's decision on the Mouth Bridge local inquiry.

Lord James Douglas-Hamilton: The report of the inquiry is expected to be submitted in the near future. When it is, my right hon. and learned Friend will consider it carefully and make a decision as soon as possible thereafter.

Nursery Education

Mr. Worthington: To ask the Secretary of State for Scotland whether any assistance is given through rate support grant for the provision of nursery education.

Mr. Lang: Rate support grant is used in support of authorities' income generally. It is not attributed to particular services.

EDUCATION AND SCIENCE

School Orchestras

37. **Dr. Michael Clark:** To ask the Secretary of State for Education and Science what steps he takes to encourage the formation of school orchestras.

Mrs. Rumbold: It is for each school to decide, in the light of its individual circumstances, whether it should form a school orchestra. However, the Government

acknowledge the desirability of participation in group music making for pupils of all ages and hope schools will provide opportunities for this where possible.

Her Majesty's Inspectors

Mr. Forth: To ask the Secretary of State for Education and Science if he will publish in the *Official Report (a)* the number of schools inspected by Her Majesty's inspectors, in each year since 1983, *(b)* the number of these schools formally inspected and having reports issued upon them and *(c)* the number of Her Majesty's inspectors currently in post.

Mr. Dunn: In the academic year 1983-84 Her Majesty's inspectors visited some 3,600 primary and 3,400 secondary schools. The corresponding figures for 1984-85 are some 3,000 primary and 2,200 secondary schools, and for 1985-86 some 3,000 primary and 2,100 secondary schools. Formal inspections led to published reports as follows:

	Number
1983	224
1984	197
1985	158
1986	149
1987	246

There are currently 474 HMI in post.

Engineers and Scientists

Mr. Frank Cook: To ask the Secretary of State for Education and Science what information he has on the numbers of engineers and scientists employed by the Science and Engineering Research Council, the Cavendish laboratory, the Rutherford-Appleton laboratories and the United Kingdom Atomic Energy Authority for the period 1970 to 1988.

Mr. Jackson: Information on the Cavendish laboratory, which is a component part of the University of Cambridge, is not held centrally and the Government's relationship with the United Kingdom Atomic Energy Authority is the responsibility of my right hon. Friend the Secretary of State for Energy. The information requested on the Science and Engineering Research Council (SERC) and its Rutherford Appleton laboratory (RAL) is as follows:

	SERC total numbers[1]		*RAL*[2]	
Year	*Engineers*	*Scientists*	*Engineers*	*Scientists*
1970	902	397	287·5	347
1971	953	404	298·5	339
1972	949	545	301·5	337
1973	958	549	297·5	330·5
1974	950	559	299	330
1975	970	558	[3]395	331·5
1976	972	557	368·5	302
1977	848	528	361·5	287
1978	791	494	378·5	286·5
1979	809	498	411	294·5
1980	881·5	527	[4]593	[4]324·5
1981	856	527	592·5	315
1982	862	515	606·5	311
1983	895	517	633	312
1984	882·5	509·5	614	288
1985	854	493	615	276
1986	835	499	634	316
1987	864·5	523	636	314
1988	856·5	527		

[1] Figures for SERC as a whole as at 31 March each year.
[2] Figures for RAL as at 31 December each year.
[3] Increase in numbers of scientists due to the merger of the Atlas Computing Laboratory.
[4] Increase in numbers of scientists and engineers due to the transfer of Appleton Laboratory staff from Slough to Chilton.

Public Bodies (Costs)

Mr. Frank Cook: To ask the Secretary of State for Education and Science what was the gross and net cost to public funds of the Science and Engineering Research Council, the Cavendish laboratory and the United Kingdom Atomic Energy Authority for the financial years 1979-80 to 1987-88.

Mr. Jackson: The following table shows the gross expenditure and the net cost to public funds of the Science and Engineering Research Council from 1979-80 to 1987-88:

£ million

	Gross exp.	*Net cost to public funds*
1979-80	181	177
1980-81	208	203
1981-82	225	219
1982-83	244	237
1983-84	264	259
1984-85	290	286
1985-86	317	309
1986-87	337	326
1987-88	386	375

Financial information on the Cavendish laboratory is not held centrally.

Responsibility for the Government's relationship with the United Kingdom Atomic Energy Authority rests with my right hon. Friend the Secretary of State for Energy.

Research and Development

Mr. Frank Cook: To ask the Secretary of State for Education and Science if he will list the 10 largest publicly funded research and development organisations for which he is responsible, by turnover and staffing.

Mr. Jackson: Grant-in-aid funding is provided through the Department for the following organisations engaged in research and development, including research in the humanities:

Science and Engineering Research Council
Medical Research Council
Natural Environment Research Council
Agricultural and Food Research Council
Economic and Social Research Council
The Royal Society
The British Academy
The Fellowship of Engineering

The Department also funds research in universities through the block grants paid on the advice of the University Grants Committee. Information on research expenditure by university is not available.

Some research is funded through the grants-in-aid paid to the Cranfield institute of technology and the Open University.

Burnage High School, Manchester

Mr. Straw: To ask the Secretary of State for Education and Science if he will obtain a copy of the report of the

MacDonald inquiry into Burnage high school, Manchester, with a view to seeking an order from the House for the printing and publication thereof.

Mr. Kenneth Baker: The report was commissioned by the Manchester city council. I understand that it will be considered by the council's education committee on 17 May. I have asked for a copy of the report to be sent to me when it is published. When this is to hand I will arrange for a copy to be placed in the Library.

WALES

Nursery Schooling (Clwyd)

Mr. Barry Jones: To ask the Secretary of State for Wales how much cash he has allocated to Clwyd local education authority for nursery schooling in each of the years since April 1979 in real terms; and if he will make a statement.

Mr. Wyn Roberts: Nursery schooling, like other aspects of local education authority spending, is funded from locally raised revenue supported by mainly unhypothecated Government grants, not from cash allocations by central Government.

Opencast Mine, Ewloe

Mr. Barry Jones: To ask the Secretary of State for Wales when he expects to announce the result of the public inquiry into the Opencast Executive's application to mine at Cheapside, Ewlow, Deeside; and if he will make a statement.

Mr. Grist: Before the end of July.

Datamagnetics

Mr. Barry Jones: To ask the Secretary of State for Wales (1) how much money the Welsh Development Agency has put into Datamagnetics; and in what financial categories and in which years;

(2) how much money Her Majesty's Government has put into Datamagnetics; and in what categories and in which years;

(3) how many jobs are in existence at Datamagnetics; what efforts he and his agencies are making to assist the company to stay in business as a sizeable employer; and if he will make a statement.

Mr. Peter Walker: The grants made and resources invested in Datamagnetics by the Government and the Welsh Development Agency are as follows:

£ thousands

	1985-86	*1986-87*	*1987-88*
Regional development grant	71	400	212
Regional selective assistance	—	732	—
Support for innovation	—	100	66
WDA equity	500	—	222
WDA factory improvements	702	—	—
WDA rent concessions	138	138	—

At present, employment at the company stands at 165.

Prime responsibility for attempting to secure the company's future rests with the receiver who has said he is optimistic that it can be sold as a going concern. The Welsh Office and the WDA will also continue to assist in whatever way they can. The agency has already drawn the opportunity presented by the business to the attention of a wide range of interests, including ones in the far east and the United States of America.

Even if the company cannot be sold as a going concern the factory's excellent location and facilities provide a valuable base to attract another user and create alternative job opportunities.

CIVIL SERVICE

Women (Senior Posts)

65. **Mr. Baldry:** To ask the Minister for the Civil Service what progress has been made in ensuring that women are represented at senior levels in the Civil Service.

Mr. Luce: We are committed to equality of opportunity for women in the Civil Service and good progress has been made. I recently placed a copy of the report "Equal Opportunities for Woman in the Civil Service" in the Library: this sets out the progress made and priorities for further action.

Ethnic Minorities

Rev. Martin Smyth: To ask the Minister for the Civil Service if he will publish a table showing for each Department of the Civil Service and each grade within each Department the number of *(a)* members of ethnic minorities and *(b)* women in post, giving the total numbers of staff in each Department employed in each grade; and if he will make a statement.

Mr. Luce *[holding answer 7 March 1988]:* I have today written to the hon. Member. Copies of the letter have been placed in the Libraries of Parliament.

ENVIRONMENT

Inner London Education Authority

Mr. Heddle: To ask the Secretary of State for the Environment, further to his statement on 9 March, *Official Report*, column 325, if he will now use his powers under the Local Government, Planning and Land Act to direct the Inner London education authority to dispose of its land holdings.

Mr. Waldegrave: The following sites belonging to the ILEA are on the register of publicly owned vacant or underused land over one acre in size set up under the 1980 Act.

Borough and Site	*Size (acres)*
Bexley—Camdale road playing field	2·13
Lewisham—Plassey road	1·89
Tower Hamlets—Pritchards road	1·31
Tower Hamlets—Bonner street	1·05

My right hon. Friend issued a notice on 3 March 1988 of his intention to direct ILEA to dispose of the Plassey road site. The authority have been asked to inform my Department what action is being taken to bring the other three sites back into positive use.

Football Matches (Attendances)

Mr. Soames: To ask the Secretary of State for the Environment what information he has about the level of attendances at football matches on Sundays for the last four years.

Mr. Moynihan: Neither the Football League nor the Football Association holds separate information about the level of attendances at football matches played on Sundays.

Rating Reform

Mr. Boyes: To ask the Secretary of State for the Environment what is his estimate of the level of community charge which will apply in the Houghton and Washington constituency *(a)* with safety nets, and *(b)* assuming 10 per cent. non-payment.

Mr. Howard: The level of community charge which will apply when the new system is introduced will depend in large part on the spending decisions of individual local authorities. On the basis of 1987-88 expenditure figures, I estimate the safety netted community charge for Sunderland at £200. Any shortfall in collection would have to be recovered locally and would increase community charges proportionately for those who pay.

Mr. Paice: To ask the Secretary of State for the Environment what would be the actual total contribution made from community charge payments and through central taxation by residents in the South Cambridgeshire district with the following circumstances: *(a)* a married couple with two young children and the husband only working with income of £7,500 per annum gross, *(b)* a married couple with two young children with a £30,000 mortgage where both are working with an income of £12,000 per annum gross, *(c)* as *(b)* with an income of £20,000 per annum gross and *(d)* as *(b)* with an income of £30,000 per annum gross.

Mr. Howard: The information required to make the estimates asked for is not available. Clearly the couple specified in case *(d)* will pay substantially more in income and direct taxes than the couple in case *(a)*. Since half of local spending is met from national taxation, the former couple's total contribution—direct and indirect—to the cost of local services will be greater than in the case of the other family. Overall we estimate that the top 10 per cent. of households by income pay around 15 times as much as the lowest paid 10 per cent. of households towards the costs of local services.

Conservation

Mr. Heddle: To ask the Secretary of State for the Environment if he will make a statement on his policy towards the preservation of the architectural heritage, listed buildings and conservation areas.

Mr. Moynihan: My right hon. Friend's policy is set out in detail in DoE circular 8/87, a copy of which is in the Library. In essence, it remains our resolve to preserve the architectural heritage, to which listed buildings and conservation areas make such an important contribution.

Council Housing (London Docklands Development Corporation)

Mr. Leighton: To ask the Secretary of State for the Environment if he has any plans to introduce legislation to give London Docklands development corporation powers to refurbish council housing.

Mr. Trippier: No legislation is required. The LDDC has already carried out external refurbishment or environmental works on over 25 council estates and the corporation is considering what further contributions it might make.

Cambridgeshire Structure Plan

Mr. Moss: To ask the Secretary of State for the Environment when he expects to receive the inspector's report on the Cambridgeshire structure plan.

Mr. Waldegrave: The panel that conducted the examination in public into the Cambridgeshire structure plan review has just submitted its report to the Secretary of State. It will be published when the Secretary of State has considered it and decided upon his proposed modifications.

Nuclear Waste Dumping

Mr. Moss: To ask the Secretary of State for the Environment if he has had any representations from Nirex or other private companies regarding nuclear waste dumping in the areas of (i) the Fens of north Cambridgeshire and south Lincolnshire or (ii) the Wash; and if he has instigated in his Department any inquiries as to the feasibility of such dumping in the said areas.

Mr. Moynihan: My right hon. Friend has received no representations from Nirex or other private companies regarding the disposal of radioactive waste in the Fens or the Wash. Investigations into the feasibility of using any part of the country for a disposal facility are a matter for Nirex.

Genetically Engineered Organisms (EC Regulations)

Mr. Dalyell: To ask the Secretary of State for the Environment if he will make a statement on his response to the EEC regulations for handling genetically engineered organisms in relation to laboratory tests on genetically modified micro-organisms and the release outdoors of modified organisms.

Mr. Moynihan: I understand that the European Commission will shortly be presenting to the Council of Ministers three proposed EC directives relating to work with genetically engineered organisms. Officials of relevant Government Departments have been involved in preliminary discussions on these proposals. Explanatory memoranda will be presented to Parliament to inform the House in the normal way once the directives are presented. The United Kingdom Government will thereafter be fully involved in discussions on the proposals.

Departmental Expenditure

Mr. Simon Hughes: To ask the Secretary of State for the Environment if he will give figures for the expenditure of

his Department on *(a)* local environmental services, *(b)* water-related services and *(c)* total environmental services, excluding housing, for each year since 1974 for which figures are available.

Mr. Ridley: The figures are shown in the table. They cover only voted expenditure by my Department on environmental and water-related services which is currently shown on class X, Votes 1 and 2, of the Supply Estimates.

The figures include grants towards local authorities' expenditure, grants-in-aid to statutory environmental bodies, payments made under the former Community Land Act and subscriptions to international environmental organisations.

The figures exclude expenditure by local authorities and described in the PEWP, table 10.1, as "local environmental services". They also exclude grants for the urban programme and derelict land clearance, expenditure on the built heritage and the costs of privatisation of the water industry which are borne on Votes 3, 4 and 9 respectively.

The figures are derived from the Appropriation accounts for classes VIII and X for the years 1974-75 to 1986-87.

Year	*Local environmental services £ million*	*Water related services £ million*	*Total environmental services £ million*
1974-75	5·6	7·2	37·6
1975-76	9·6	11·0	44·1
1976-77	3·0	14·6	36·2
1977-78	11·9	28·5	44·7
1978-79	15·8	34·4	62·8
1979-80	29·7	34·9	76·3
1980-81	32·5	40·0	81·7
1981-82	21·2	46·1	69·2
1982-83	32·7	53·6	101·2
1983-84	20·3	57·9	96·5
1984-85	23·0	55·9	109·4
1985-86	14·4	55·3	118·3
1986-87	14·1	62·6	139·2

Departmental Expenditure

Mr. Simon Hughes: To ask the Secretary of State for the Environment if he will give figures for the expenditure by his Department on *(a)* radioactive waste management, *(b)* air pollution research and *(c)* total expenditure on environmental protection and research, for each year since 1974 for which figures are available.

Mr. Ridley: Expenditure on environmental protection research by the Department of the Environment was as follows:

Year	*(a) Radioactive waste management £000*	*(b) Air pollution £000*	*(c) Total environmental protection[1] £000*
1973-74	—	647	[2]1,067
1974-75	—	861	[2]1,821
1975-76	—	1,377	[2]2,943
1976-77	—	1,164	[2]2,671
1977-78	—	1,248	[2]3,655
1978-79	3,914	1,578	7,958
1979-80	5,113	1,584	8,810
1980-81	9,780	1,841	13,619
1981-82	8,833	2,158	13,681
1982-83	8,116	1,714	12,517
1983-84	8,805	1,866	12,974
1984-85	9,360	1,874	13,869
1985-86	11,725	3,704	17,978
1986-87 (provisional)	10,900	4,500	18,000

[1] Includes radioactive waste management and air pollution research; excludes water and countryside research.
[2] Figures before 1978-79 do not include any expenditure on research on radioactive waste management since it was not until then a DOE responsibility.

Private Landlords

Mr. Wallace: To ask the Secretary of State for the Environment what representations he has received seeking legislation to require private landlords to disclose their identity and actual address to tenants; what response he has made; and if he will make a statement.

Mrs. Roe: My Department has received complaints from time to time from tenants who did not know the name and address of their landlord. Under the Landlord and Tenant Act 1985 a landlord must supply this information if a tenant requests it either from the person to whom rent is paid or from the landlord's agent. Failure to do so is a criminal offence. Following the recommendations of the Nugee committee on the

management of privately owned blocks of flats, this provision was augmented in the Landlord and Tenant Act 1987 which, like the 1985 Act, extends to England and Wales. The 1987 Act provides that a landlord must state his name and address on any rent or service change demand and that service charges need not be paid until he has done so. The landlord must also give a name and address in England and Wales for the service or notices, and the tenants may withhold any rent or service charge until he has done so.

Housing Corporation

Mr. Simon Hughes: To ask the Secretary of State for the Environment what extra resources he intends to provide in 1988-89 for the Housing Corporation to fund major repairs to housing association dwellings, which have now become empty and uninhabitable because the local authority is now unable to finance necessary major repairs; and how he intends these resources to be allocated.

Mrs. Roe: The Housing Corporation's approved development programme for 1988-89 represents an increase over earlier plans of some £50 million, to £737 million. Within this, the corporation expects to approve £45 million of new schemes for the major repair of housing association dwellings. They have been asked to concentrate these resources on bringing empty properties back into use in areas of shortage. In the past, where the property was originally developed with local authority money, the corporation provided funding for repairs only in exceptional cases. But they have now been authorised to fund repairs wherever the local authority is genuinely unable to do so itself on condition that the dwellings are then let to homeless people.

Water Supplies (North West Water Authority)

Mr. Terry Fields: To ask the Secretary of State for the Environment if he will list, by quantity per gallon or litre, chemicals and other matter added to domestic water supplies by the North West water authority; what is the purpose of each additive listed; and if he will make a statement.

Mr. Moynihan: Like all water undertakers, North West water authority adds small quantities of several chemicals to water supplies. These vary according to the quality of the water being treated. I have asked the authority to reply to the hon. Member in more detail.

Environmental Assessment (EC Directive)

Mr. Wyn Griffiths: To ask the Secretary of State for the Environment if he will take steps to reverse the provision of the European Community directive on environmental assessment 84/337/EEC which excludes from mandatory environmental assessment major projects such as port expansion, docks and estuarial barrages effected through private Bills.

Mr. Waldegrave: Article 1.5 of the directive provides:

"This Directive shall not apply to projects the details of which are adopted by a specific act of national legislation, since the objectives of this Directive, including that of supplying information, are achieved through the legislative process".

Private Bill procedures are matters for Parliament and are at present under consideration by the Joint Committee on Private Bill Procedure.

Housing Investment Programme (Coventry)

Mr. Nellist: To ask the Secretary of State for the Environment if he will list the housing investment programme allocation made in each year since 1974 to the city of Coventry, expressed in constant 1988 prices.

Mrs. Roe: I refer the hon. Member to my reply to the hon. Member for Copeland (Dr. Cunningham) on 21 April, at column *563*. The present system of HIP allocations began in 1978-79. The table referred to in the answer has now been placed in the Library.

Heysham Harbour (Port Manager)

Mr. Heffer: To ask the Secretary of State for the Environment if he will prosecute under the Merchant Shipping Acts the port manager of Heysham harbour for cutting the rope of the Tynwald with a chain saw on Saturday 30 April.

Mr. Nicholls: I have been asked to reply.

No. The Merchant Shipping Act did not apply to the incident referred. On the information available neither the ship, its crew nor any person ashore were endangered by the action of the harbour master and there was no contravention of any legal requirement.

ENERGY

Electricity (Privatisation)

7. **Mr. Ray Powell:** To ask the Secretary of State for Energy, what recent meetings he has had with the chairman of the Central Electricity Generating Board to discuss the privatisation of electricity.

Mr. Parkinson: I meet the chairman of the CEGB, Lord Marshall, regularly to discuss various matters relating to the privatisation of the electricity supply industry.

23. **Mr. Nicholas Bennett:** To ask the Secretary of State for Energy what interest has been shown by investors, both institutional and private, United Kingdom based and overseas, in investing in the privatisation of the electricity supply industry.

Mr. Parkinson: I am pleased to say that considerable interest is already being expressed in the privatisation of the electricity supply industry, and I am confident that the flotations will be a success.

Mr. Prescott: To ask the Secretary of State for Energy what discussions he has had with his financial advisers about the implications of recent stock exchange difficulties for privatisation of the Central Electricity Generating Board and the timetable for such privatisation; and if he will make a statement.

Mr. Michael Spicer: I have discussions with my advisers on a wide range of subjects connected with the privatisation of the electricity supply industry. The privatisation will have to take account, amongst other factors, of the condition of the market at the time of the sale, not of last autumn, and I am confident that there will be wide interest among institutional investors and members of the public.

27. **Mr. David Nicholson:** To ask the Secretary of State for Energy what representations he has received on his proposals for protecting customer rights and standards of service when the electricity supply industry is privatised.

Mr. Parkinson: I have received representations from a range of interested parties welcoming the Government's proposals to give new rights to the consumer.

28. **Mr. Darling:** To ask the Secretary of State for Energy what representations he has received from interested parties in connection with the request that the electricity supply industry will be required to provide about one-fifth of the electricity from non-fossil sources following privatisation.

Mr. Parkinson: I have received a number of representations from a range of interested parties.

29. **Mr. Morgan:** To ask the Secretary of State for Energy what is his estimate of the likely increase in electricity prices in the period leading up to privatisation of the electricity supply industry.

Mr. Parkinson: Electricity prices are set by the industry in the light of the Government's financial target and the scope they have to make cost reductions. It is too early to say what the price rise will be next year and beyond.

34. **Mr. Win Griffiths:** To ask the Secretary of State for Energy what representations he has received concerning the regulation of the proposed private electricity supply companies

Mr. Parkinson: I have received representations on a wide range of subjects connected with the privatisation of the electricity supply industry.

Electricity Generation

10. **Mr. Wood:** To ask the Secretary of State for Energy what representations he has received from the private sector regarding new opportunities in electricity generation.

Mr. Parkinson: Independent generators have welcomed the Government's proposals for electricity privatisation as set out in the White Paper and the new opportunities in electricity generation that this will bring.

British Coal

18. **Mr. Barron:** To ask the Secretary of State for Energy if he has been informed by the chairman of British Coal of the future reorganisation of its administration.

Mr. Parkinson: Yes.

Oil Supplies

20. **Mr. Stokes:** To ask the Secretary of State for Energy when he expects the current world surplus production of oil to end.

Mr. Peter Morrison: World oil production capacity currently exceeds demand by around 10 millions barrels per day. Most of the additional oil capacity is in OPEC. Known world reserves of oil and gas are still rising and the future is therefore unpredictable.

Hinkley C Nuclear Power Station

22. **Mr. Ted Garrett:** To ask the Secretary of State for Energy what estimates he has made of the cost of electricity from the proposed Hinkley C nuclear power station.

Mr. Michael Spicer: This is a matter for the Central Electricity Generating Board.

Coal Industry

24. **Mr. Michael Brown:** To ask the Secretary of State for Energy how much has been invested in the coal industry since April 1979.

35. **Mr. Summerson:** To ask the Secretary of State for Energy how much has been invested in the coal industry since April 1979.

Mr. Michael Spicer: I refer my hon. Friends to the answer given today to my hon. Friend the Member for Derby, North (Mr. Knight).

25. **Mr. Andy Stewart:** To ask the Secretary of State for Energy whether he will give the most recent figures for productivity in the coal industry.

Mr. Michael Spicer: For the week ended 23 April, deep mined output per man shift was 4·18 tonnes, a new record.

30. **Mr. Douglas:** To ask the Secretary of State for Energy if he will meet the chairman of British Coal to discuss reorganisation proposals in the light of manpower reductions in the Scottish coalfields.

Mr. Parkinson: I meet the chairman of British coal regularly to discuss all aspects of the coal industry.

United Kingdom Continental Shelf

31. **Mr. Baldry:** To ask the Secretary of State for Energy what are the current levels of drilling activity on the United Kingdom continental shelf; and what was the comparable figure a year ago.

Mr. Peter Morrison: Ninety-four wells were started in the first quarter of 1988 and 47 wells were started in the same period of 1987. The number of wells drilled in the first quarter was one of the highest figures recorded and reflects the growing level of confidence amongst companies involved in the North sea.

Coal Imports

32. **Mrs. Clwyd:** To ask the Secretary of State for Energy if he has discussed with the chairman of British Coal the level of expected imported coal.

Mr. Michael Spicer: My right hon. Friend and I have regular meetings with the chairman of British Coal to discuss all aspects of the coal industry.

Domestic Gas Disconnections

33. **Mr. Simon Hughes:** To ask the Secretary of State for Energy what action his Department is taking to seek to ensure that British Gas implements the recommendations of the Gas Consumers Council document, "An Analysis of Gas Disconnections."

Mr. Peter Morrison: The Gas Consumers Council and the Director General of Gas Supply have both made representations to British Gas plc on the operation of the

code of practice on disconnections. I understand that these are being considered by British Gas, as required by condition 12 of its authorisation.

Aerosols

36. **Mr. Allan Roberts:** To ask the Secretary of State for Energy if there are any plans to ban the use of aerosols from his Department's buildings; and if he will make a statement.

Mr. Parkinson: No, there are no such plans in my Department.

Coal Mining (Subsidence)

Mr. Woodcock: To ask the Secretary of State for Energy whether his Department holds a copy of the British Coal subsidence manual.

Mr. Michael Spicer: No.

Nuclear Waste Dumping

Mr. Moss: To ask the Secretary of State for Energy if he has been consulted by the Central Electricity Generating Board, or Nirex, or any other organisation regarding the feasibility of nuclear waste dumping in *(a)* the Fens area of north Cambridgeshire and south Lincolnshire or *(b)* the Wash.

Mr. Michael Spicer: No. As the discussion document "The Way Forward" explains, Nirex has identified a number of areas which might be suitable for a deep repository for low and intermediate level radioactive waste including the Fens area and the Wash. No decisions have yet been taken but Nirex hopes to make recommendations to Government by the end of the year.

Wave Power

Mr. Wallace: To ask the Secretary of State for Energy what research and development projects into wave power are currently being funded by his Department.

Mr. Michael Spicer: My Department is currently funding:

—The construction and monitoring of an experimental, shoreline, oscillating water-column device by Belfast university on the island of Islay;

—A feasibility study of a modular offshore device by Lancaster university;

—Assessments of shoreline and modular offshore devices by the energy technology support unit.

Reports on these studies will be published in due course.

Mr. Wallace: To ask the Secretary of State for Energy what recent assessment his Department has made of the contribution of wave power to electricity generation in the United Kingdom; and if he will make a statement.

Mr. Michael Spicer: The last overall assessment of the contribution of wave power to electricity generation was published as ETSU report R30 "Prospects for the Exploitation of the Renewable Energy Technologies of the United Kingdom" and this information was updated in Energy Paper No. 54 "Energy Technologies for the United Kingdom: 1986 Appraisal of R, D & D". Copies of both reports are in the Library of the House. The energy technology support unit is currently conducting assessments of the potential for shoreline and modular offshore devices and a proposal is under consideration for a preliminary survey of possible sites for shoreline devices.

British Coal (Housing Stock)

Mr. Wallace: To ask the Secretary of State for Energy whether he will take steps to require British Coal to oblige purchasers of its housing stock to disclose their identity and actual address to individual tenants; and if he will make a statement.

Mr. Michael Spicer: The statutes already provide that this information is made available to or is accessible to all tenants.

North Sea Oil (Companies' Orders)

Mr. McLeish: To ask the Secretary of State for Energy if he will provide a breakdown for the financial years 1986-87 and 1987-88, and an estimate for the year 1987-89 for *(a)* the number of orders for North sea oil-related work that have been placed by oil companies, *(b)* a breakdown of these orders by the type of work involved and the cost, *(c)* the proportion of the orders by volume and cash amount that has gone to United Kingdom-based companies and the proprotion that has gone to overseas companies and *(d)* the country of origin for the orders that have been placed overseas.

Mr. Peter Morrison: Orders greater than £100,000 are reported by offshore oil operators by calendar year.

The number of orders reported in 1986 and 1987 were 3,274 and 2,961. A breakdown of these orders into type of work, cost and overseas content is contained in the Department of Energy publication "Development of the Oil and Gas Resources of the United Kingdom", a copy of which is held in the House of Commons Library. The United Kingdom content of the value of orders placed in 1986 and 1987 was 82 per cent. of £2·23 billion and 87 per cent. of £1·87 billion. The proportion by volume of orders won by United Kingdom companies for these years is approximately 87 per cent. and 89 per cent. It is not possible to give the overseas element by individual country.

A rise in the value of orders placed is expected in 1988 and again United Kingdom industry will be well placed to secure a major share of the work available.

Petrol from Coal

Dr. Michael Clark: To ask the Secretary of State for Energy what support his Department is giving to research directed at obtaining petrol from coal and similar solid hydrocarbons.

Mr. Peter Morrison: My Department is contributing £3 million to British Coal's coal liquefaction pilot plant project at Point of Ayr colliery in north Wales. Support for British Coal's participation with Germany and Sweden in the International Energy Agency programme on pyrolysis of coal amounts to £0·7 million.

NORTHERN IRELAND

Scheduled Offences

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland how many suspects have been

questioned at each of the Royal Ulster Constabulary holding centres in Northern Ireland in the last 12 months regarding scheduled offences under the emergency legislation.

Mr. Stanley: A total of 1,851 persons were arrested by the RUC and questioned about alleged terrorist-type offences during the period 1 April 1987 to 31 March 1988.

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland how many people have been charged with scheduled offences under the emergency legislation as a result of interviews held at each of the Royal Ulster Constabulary holding centres in Northern Ireland in the last 12 months.

Mr. Stanley: During the period 1 April 1987 to 31 March 1988, a total of 458 persons were charged with terrorist-type offences.

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland how many suspects interrogated about alleged scheduled offences under the emergency legislation at each of the Royal Ulster Constabulary holding centres in the last 12 months have refused to answer any questions at all during interrogation.

Mr. Stanley: It is not the practice to provide such information.

Javelin Anti-aircraft Missiles (Chile)

Mr. Foulkes: To ask the Secretary of State for Northern Ireland what advice was sought by Short Brothers from his Department in connection with the possible sale of Javelin anti-aircraft missiles to Chile.

Mr. Viggers: It is not the Government's practice to comment on individual export matters.

Teachers (Absence)

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will take steps to provide a supply or substitute teacher from the first day on which a teacher is absent to infant classes (P1-P3) for all primary schools.

Dr. Mawhinney: The position will be considered in a review of substitute provisions presently being carried out by the Department of Education for Northern Ireland.

Mr. Beggs: To ask the Secretary of State for Northern Ireland (1) what was the actual cost of first day cover for absence of teachers in Northern Ireland in each of the last three years in *(a)* primary schools and *(b)* post primary schools;

(2) what was the cost of providing first day cover for absent teachers in schools with an average daily enrolment of less than 222 pupils in each of the last three years.

Dr. Mawhinney: This information is not readily available and could be obtained only at disproportionate cost.

Mr. Beggs: To ask the Secretary of State for Northern Ireland what was the cost of first day cover for approved planned absence of teachers from schools in Northern Ireland in each of the last three years in *(a)* primary schools and *(b)* post-primary schools.

Dr. Mawhinney: This information is not available in the form requested.

Pupil-Teacher Ratio

Mr. Beggs: To ask the Secretary of State for Northern Ireland what is the present pupil-teacher ratio for *(a)* primary schools and *(b)* secondary schools in Northern Ireland.

Dr. Mawhinney: Available information relates to the 1986-87 school year and is as follows:

	Ratio
Primary[1]	23·4
Secondary[2]	14·9

[1] Includes nursery classes in primary schools and preparatory departments of grammar schools.
[2] Consists of secondary intermediate schools and secondary departments of grammar schools.

University of Ulster

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many four-year courses at the University of Ulster have been cut to three-year courses over the past five years.

Dr. Mawhinney: No such reductions have been made at the University of Ulster since it was formed in October 1984.

Elections (Non-violence Oath)

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he is yet in a position to say when he expects the legislation providing for a non-violence oath for local government elections in Northern Ireland to be introduced.

Mr. Tom King: The position remains as set out in my reply to the hon. Member for Belfast, South (Rev. Martin Smyth) on 28 March, at column *313*.

NATIONAL FINANCE

Public Expenditure

Mr. Allen: To ask the Chancellor of the Exchequer if he will bring forward proposals to enable Parliament to vote spending authority for all or parts of the half of public expenditure not currently so voted; and if he will make a statement.

Mr. Major: Parliament has authorised a number of types of public expenditure to be defrayed in ways other than annual voting of Supply. For example, payments from the national insurance fund are met from contributions and voted money on the authority of the Social Security Act 1975 and subsequent Acts. The United Kingdom's gross contribution to the European Community is paid as a standing service on the Consolidated Fund under the provisions of section 2(3) of the European Communities Act 1972. For nationalised industries Parliament periodically sets borrowing limits. Local authorities raise that part of their expenditure which is not funded by voted grants either through rates or through their own borrowing.

VAT

Mr. Barry Field: To ask the Chancellor of the Exchequer what plans he has for changing local authorities liability to value added tax with regard to the practice and proposals of the EEC.

Mr. Lilley: The Government consider that the United Kingdom fully meets its European Community obligations in so far as the VAT liabilities of local authorities are concerned, and is aware of no specific proposals by the European Commission for legislation likely to require major changes in this area. However, if my hon. Friend has a particular point in mind perhaps he could write to me.

Company Profitability

Mr. Andrew Mitchell: To ask the Chancellor of the Exchequer what is his latest estimate of the rise in company profitability in 1987.

Mr. Major: The profitability of non-North sea industrial and commercial companies is provisionally estimated to have risen by 1½ percentage points between 1986 and 1987, to 10½ per cent.—the highest level for about 20 years.

Personal Incomes

Mrs. Virginia Bottomley: To ask the Chancellor of the Exchequer if he will make a statement on the current level of real personal disposable income in the United Kingdom.

Mr. Nicholas Bennett: To ask the Chancellor of the Exchequer if he will make a statement on the current level of real personal disposable income in the United Kingdom.

Mr. Major: Real personal disposable income in 1987 is estimated to have been 15 per cent. higher than in 1979. Further growth is expected this year.

Balance of Payments

Mr. Thurnham: To ask the Chancellor of the Exchequer if he will make a statement about the current balance of payments position.

Mr. Major: At Budget time my right hon. Friend the Chancellor of the Exchequer forecast a current account deficit of £4 billion for 1988.

Energy Use

Mr. Rowlands: To ask the Chancellor of the Exchequer what are his Department's target reductions in energy usage for 1988-89; what is his Department's target reduction in electricity usage for lighting in 1988-89; and what investment his Department is planning to make in new energy-efficient lighting equipment in 1988-89 to achieve those target reductions.

Mr. Brooke: A 4 per cent. saving has been assumed in the preparation of the Department's overall energy budget. No specific target has been set for the reduction of lighting costs.

HMSO Publications

Mr. Fisher: To ask the Chancellor of the Exchequer how many of Her Majesty's Stationery Office publications are currently in print.

Mr. Brooke: There are currently around 43,000 HMSO titles in print.

Coinage

Mr. Wheeler: To ask the Chancellor of the Exchequer when he plans to introduce the new 5p and 10p coins announced on 17 December 1987.

Mr. Lawson: The new 5p coin will be issued in June 1990, and the new 10p coin will be issued in June 1992.

Taxation Statistics

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will give for 1988-89 the total reduction in income tax, inheritance tax and capital gains tax liability following the Budget that will accrue to the top *(a)* 0·1 per cent., *(b)* 1 per cent., *(c)* 5 per cent. and *(d)* 10 per cent. of taxpayers and to the bottom (i) 70 per cent., (ii) 60 per cent., (iii) 50 per cent., (iv) 25 per cent., (v) 10 per cent. and (vi) 5 per cent. of taxpayers.

Mr. Norman Lamont *[holding answer 21 April 1988]:* I regret that information is not available to make reliable estimates in the detail requested for inheritance tax and capital gains tax. However, it is estimated that under the Budget proposals the reduction in capital gains tax on gains realised in 1988-89 by the top 5 per cent. of income tax payers will be rather less than £50 million.

Estimates of the direct revenue costs in a full year of the income tax changes above indexation are given in the table. Reliable estimates cannot be made for the top 0·1 per cent. of taxpayers since the estimates are based on projections of the 1985-86 survey of personal income.

Reductions in income tax liability compared with the indexed 1987-88 tax regime

Range of quantiles[1] of the income tax distribution	*Reduction in tax £ million*
Top:	
1 per cent.	1,880
5 per cent.	2,690
10 per cent.	3,160
Bottom[2]:	
70 per cent.	1,730
60 per cent.	1,310
50 per cent.	960
25 per cent.	330
10 per cent.	100
5 per cent.	40
All taxpayers	6,050

[1] Based on the distribution of income tax under the proposed 1988-89 tax regime.

[2] Includes 240,000 single people and married couples taken out of tax by increases in allowances over indexation.

THE ARTS

Museums and Galleries

Mr. Robert G. Hughes: To ask the Minister for the Arts what estimate he has of the proportion of artefacts held in museums and galleries currently on public display.

Mr. Luce: The proportion of artefacts in museums and galleries on public display varies from institution to

institution and with the nature of the collection. The National gallery and the Wallace collection, for example, have all of their collection on display. For museums with large reference collections, such as the British museum, the National History museum and the Victoria and Albert museum, only a proportion can be displayed at any one time.

The Government are keen to improve public access to the treasures in our museums and galleries by wider use of the reserve collections and by loans to other institutions.

All national museums and galleries arrange access by members of the public to items not on display and all aim to rotate items between the reserve collection and public display. A good deal of material is loaned out already under the terms of the Government indemnity scheme. I would like to see more and have asked the Museums and Galleries Commission to encourage this through its recently formed touring exhibition unit.

English National Museums

43. **Mr. Campbell-Savours:** To ask the Minister for the Arts whether he has met the directors of the English national museums to discuss the resource implications of the National Audit Office report on English national museums.

58. **Mr. Terry Davis:** To ask the Minister for the Arts whether he has met the directors of the English national museums to discuss the resource implications of the National Audit Office report on English national museums.

Mr. Luce: I am meeting the director of each national museum and gallery that I sponsor to discuss the institutions corporate plan for the next five years, including the resource implications of their plans and priorities.

47. **Mr. Haynes:** To ask the Minister for the Arts whether he has met the trades unions concerned to discuss the staffing implications of the National Audit Office report on English national museums.

61. **Mr. Meale:** To ask the Minister for the Arts whether he has met the relevant trades unions to discuss the staffing implications of the National Audit Office report on English national museums.

Mr. Luce: I have no plans to do so. It is for the individual museums and galleries to discuss their priorities and development with their staffs in the context of their corporate plans.

Victoria and Albert Museum

44. **Mrs. Clwyd:** To ask the Minister for the Arts whether he will provide additional resources for the Victoria and Albert museum national art library.

59. **Mr. Sedgemore:** To ask the Minister for the Arts whether he will provide additional resources so that the British museum, the Victoria and Albert museum and the Tate gallery can respond to the report of the National Audit Office on English national museums.

Mr. Luce: The allocations to the Victoria and Albert and other national museums and galleries are decided in the light of information provided by the institutions. It is for the Victoria and Albert trustees to indicate the needs of the national art library and the priority they attach to them.

Natural History Museum

45. **Mr. Battle:** To ask the Minister for the Arts how many people have paid for admission to the Natural History museum in the past 12 months.

48. **Ms. Ruddock:** To ask the Minister for the Arts what have been the administrative costs of admission charges to the Natural History museum in 1987-88.

49. **Mr. Wareing:** To ask the Minister for the Arts what has been the income from admission charges for the Natural History museum in the past 12 months.

52. **Mr. Chris Smith:** To ask the Minister for the Arts how many staff were employed on administering admission charges at the Natural History museum in 1987-88.

54. **Ms. Primarolo:** To ask the Minister for the Arts what has been the income from admission charges at the Natural History museum in the past 12 months.

55. **Ms. Walley:** To ask the Minister for the Arts what were the costs of setting up admission charges at the Natural History museum in 1987-88.

56. **Mr. Vaz:** To ask the Minister for the Arts how many staff were employed in administering admission charges at the Natural History museum in 1987-88.

57. **Mr. Tony Banks:** To ask the Minister for the Arts how many people have paid for admission to the Natural History museum in the past 12 months.

Mr. Luce: I refer the hon. Members to my reply to the hon. Members for Eccles (Miss Lestor) and Houghton and Washington (Mr. Boyes) earlier today.

Museums and Galleries

46. **Mr. Greg Knight:** To ask the Minister for the Arts how many museum and gallery corporate plans have so far been prepared in the current year.

Mr. Luce: All the national museums and galleries that I sponsor have prepared or are preparing corporate plans for the period up to March 1993. So far this year I have received plans from six of the institutions. I am discussing their plans with all of them.

Touring Companies

50. **Mr. Patnick:** To ask the Minister for the Arts how he is encouraging touring companies involved in the performing arts in 1988-89.

Mr. Luce: I announced a three-year programme of expenditre for the Arts Council last November, which included funds to strengthen touring in Great Britain. I understand that the council will allocate an additional £1·5 million for this purpose in 1988-89.

In addition, I warmly welcome the council's new touring initiative "Upstart". It represents a partnership between the public and private sectors which will enable productions to be taken first to the regions and then to London, bringing drama of the highest quality to the widest possible audience.

Imperial War Museum

51. **Mrs. Virginia Bottomley:** To ask the Minister for the Arts what progress has been made in the redevelopment of the Imperial War museum.

Mr. Luce: On 30 March I performed the "topping out" ceremony to mark the formal completion of structural work on stage 1 of the redevelopment of the Imperial War museum's main building in Lambeth road. This £16·7 million building project, which is being financed by a partnership of arts programme funding, donations and the museum's earned income, will more than double public display space and will improve visitor facilities.

The museum has ambitious and innovative plans for fitting out the new galleries and for redisplaying its collections, for which it is seeking sponsorship to supplement its public funding. I wish it every success.

When the new galleries open in June 1989, we will have an exciting, modern museum, second to none in its field.

Business Sponsorship

53. **Mr. Atkinson:** To ask the Minister for the Arts what is his current estimate of new business sponsorship of the Arts in 1988-89.

Mr. Luce: The level of business sponsorship has been steadily increasing, especially following the introduction of the business sponsorship incentive scheme in 1984. The estimate for 1988-89 is that the sponsorship figure will be over £30 million.

Free Library Service

60. **Mr. Carrington:** To ask the Minister for the Arts what steps he proposes to take to protect the free basic library service.

Mr. Luce: The Government are committed to maintaining the free basic public library service to individuals. Broadly, this comprises reference services available to all, and the lending of books and other printed material to those who live, work or are in full-time education in a library authority's area.

Byre Theatre, St. Andrews

62. **Mr. Menzies Campbell:** To ask the Minister for the Arts if he will pay a visit to the Byre theatre, St. Andrews.

Mr. Luce: I have no plans at the moment to visit the Byre theatre.

Theatres

63. **Mr. Andrew Mitchell:** To ask the Minister for the Arts how many new theatres have been opened in the last three years.

Mr. Luce: The Office of Arts and Libraries does not maintain records on this subject. The available information indicates that six new theatres have been opened in the last three years, with a further theatre due to open at the end of the year. In addition, at least six theatres have reopened, and at least six more have been extensively refurbished.

National Collections

64. **Mr. Heathcoat-Amory:** To ask the Minister for the Arts what further discussions he has had with the trustees of national collections about the display of items held in store.

Mr. Luce: I take every reasonable opportunity to encourage the national museums and galleries to ensure that as much of their collection as is practicable is on display, either in the institutions themselves or on loan to others.

TRANSPORT

EC (Transport Ministers)

Dr. Thomas: To ask the Secretary of State for Transport when he last met his counterparts from the other European Community countries; and what matters were discussed.

Mr. Channon: On 25 April at an informal meeting for Transport Ministers. There was general discussion aimed at identifying transport issues likely to be significant during the 1990s.

London Underground (Escalators)

Mr. Leighton: To ask the Secretary of State for Transport if he will issue a direction to London Regional Transport to install transparent skirting boards on escalators on the London underground.

Mr. David Mitchell: No. LRT has a statutory duty to have due regard to safety. It is for LRT to make proposals for specific measures which may be necessary in the light of the lessons learnt following the King's Cross fire and the findings of the formal investigation.

Qualified Drivers (Retesting)

Mr. David Porter: To ask the Secretary of State for Transport what recent representations he has had on the periodic retesting of all qualified drivers; whether he now has any plans for such testing; and if he will make a statement.

Mr. Peter Bottomley: All newly qualified drivers are strongly encouraged to continue to develop their driving skills and, after gaining experience, to undertake a further driving test such as those organised by the Institute of Advanced Motorists and ROSPA.

We are quite frequently asked to consider periodic retesting of all drivers. It is not considered that the considerable resources required to retest all drivers on a routine basis would be justified by a significant improvement in the number of road casualties.

The recently published report of the road traffic law review contains a recommendation that there should be increased use of orders for retesting of those drivers guilty of offences showing serious deficiencies in their driving skills or attitudes. The Government are considering this report.

Yelloway Motor Services

Mrs. Dunwoody: To ask the Secretary of State for Transport whether, in the light of the transcripts of the north-west traffic commissioner's hearing against Yelloway Motor Services plc, a copy of which has been sent to him, he remains satisfied that this company and its holding company are fit and proper to hold a public service vehicle licence; and if he will make a statement.

Mr. David Mitchell: The award of public service vehicle operator's licences is a matter for the trafic commissioner. The commissioner for the north-west traffic area decided, following an inquiry on 28 March, to renew the operator's licence for Yelloway Motor Services on condition that the number of vehicles was reduced to 30, no more than eight of which were double-deck vehicles. He also restricted the number of local services which it could operate to 18.

Sandbank Road Crossing, Towyn

Ms. Walley: To ask the Secretary of State for Transport what steps he has taken to satisfy himself that the unprotected Sandbank road rail crossing at Towyn complies with the minimum safety standards for such crossings.

Mr. David Mitchell: The railway inspectorate has been consulted about the use of this crossing on a number of occasions. The level crossing was originally provided to connect lands on either side of the railway which were severed when the railway was built. Since the 1930s when the land was developed for holiday caravans and as an amusement park the use of the crossing has expanded and today it has during the holiday season a high pedestrian use. Despite the growth in use the crossing is considered to meet the minimum acceptable safety standard.

The statutory requirement upon British Rail is to maintain gates normally closed across the road. In addition, special pedestrian gates have been provided and there are signs warning pedestrians to beware of trains. The Department has no powers to direct that changes should be made to the crossing, but it is understood that the possibility of providing a footbridge is being reconsidered by British Rail and the local authority.

SOCIAL SERVICES

Personal Health Information

Mr. Cohen: To ask the Secretary of State for Social Services what progress he has made with the order which establishes a code of confidentiality in relation to personal health information; when he expects the consultation period concerning the wording of the order to be complete; what major points are hindering its finalisation; when he expects to announce the date when individuals can have access to their own health information; and whether he will make a statement.

Mrs. Currie: Confidentiality of personal health information is protected by professional codes of ethics. A code embracing the principles of these professional codes without displacing them was requested by an interprofessional working group of health care professional interests. The group has not yet been able to secure agreement on a code from the professions represented on the group who would be responsible for implementing it. Before a code could be introduced the Department would wish to consult with health authority management and other bodies with an interest. The code is about the protection against the disclosure of information to others. It does not concern access by individuals to their own information.

Private Nursing Homes

Rev. Martin Smyth: To ask the Secretary of State for Social Services whether private nursing homes and residential homes for the elderly were required to provide occupational therapy as well as nursing care before being recognised; and if he will make a statement.

Mrs. Currie: A person registered under the Registered Homes Act 1984 in respect of a nursing home is required to make suitable arrangements for the daily activity of residents, according to their needs and capacities and occupational therapy services may be available from the local social services authority or the health authority.

A person registered under the Act in respect of a residential care home also has to make such arrangements. Any nursing care required in residential care homes should be provided by the local community nursing service or under their supervision.

Housing Benefit

Mr. David Nicholson: To ask the Secretary of State for Social Services when water charges were excluded from the scope of housing benefit; and why.

Mr. Portillo: Help with water charges was previously provided through the supplementary benefit scheme, in some cases paid by the local authority along with housing benefit under a special administrative arrangement. This separate provision for water rates ceased from 11 April this year as part of the simplification of the benefit system. However, when setting income support levels, account was taken of the overall amount spent in supplementary benefit on water charges.

Supplementary benefit claimants who were entitled to help with water rates, however paid, will, where necessary, receive transitional protection which took account of the water rates element.

Day Patients

Mr. Tony Lloyd: To ask the Secretary of State for Social Services what is the day-patient attendance rate for the over 65s in each north-west health authority and in Greater London.

Mrs. Currie: Information, including the age of patients admitted to a hospital bed for treatment as a day case and regular day admissions, will be available centrally for the first time later this year. For patients using NHS day care facilities, the specialty function classification will provide some indication of the age groups using the facility.

Family Policy Studies Centre

Mr. Frank Field: To ask the Secretary of State for Social Services if, when the director of the Central Statistical Office places in the Library copies of the correspondence the Government have had with the Family Policy Studies Centre, the replies from the centre will be lodged at the same time.

Mr. Portillo: Copies of all the relevant correspondence have, with the authors' agreement, been placed in the Library.

Supplementary Benefit

Mr. Frank Field: To ask the Secretary of State for Social Services what benefits his Department treats as being subsumed under the classification of supplementary benefit.

Mr. Portillo: Prior to the reforms, supplementary benefit comprised payments of supplementary pension or allowance, single payments when these were made and, where relevant, housing benefit supplement. Although technically supplementary benefit, housing benefit supplement was calculated and paid by local authorities as a top-up to housing benefit.

Social Security Legislation (Effects)

Ms. Ruddock: To ask the Secretary of State for Social Services what assessment he has made of the effects of the new social security legislation in its first month of operation.

Mr. Scott: Final conclusions must await the outcome of the monitoring mentioned in my reply to the hon. Member for Derby, South (Mrs. Beckett) on 22 April, at column *602*.

Funerals

Mr. Shersby: To ask the Secretary of State for Social Services if he will make an estimate of the number of instances in which the total cost of a funeral has been paid from funds provided by social security offices since the abolition of the death grant in April 1987.

Mr. Portillo: A total of 18,295 full awards of funeral payments have been made in the period 6 April 1987 to 8 April 1988.

Form AG1

Ms. Richardson: To ask the Secretary of State for Social Services how many pages in length is form AG1 which is required to be completed by patients wishing to obtain financial assistance with National Health Service prescriptions, dental treatment, and spectacles; how long he estimates that it would take an ably sighted person to complete it; how long it takes his Department's staff to scrutinise a form; how many staff are engaged in this operation; how much each form and explanatory notes costs to produce and print; and whether he has any plans to simplify form AG1.

Mr. Portillo: Form AG1 needs to be completed only by people applying for help with NHS charges and the cost of travel to hospital for treatment if they are not already automatically entitled to such help because they are receiving income support or family credit. The form covers a variety of possible situations, so that many claimants will need to fill in only a limited number of its parts. How many of the questions have to be answered and the length of time it will take to complete the form, will depend on the circumstances of each individual claimant. Similarly this will determine the length of time taken in scrutinising the forms in the Department.

Form AG1 is one of a series of new personal claim forms based on extensive research which showed that the key factor in how people deal with forms is how clear or complicated individual pages are, rather than the overall length of the form. It is designed to be as comprehensive as possible and to minimise the need for further inquiries which were often necessary with the old forms. Form AG1 also replaces a number of separate forms which previously had to be completed to claim help with individual NHS charges.

A total of 315 staff are currently engaged on the assessment of claims on form AG1. The cost of each form, together with the accompanying explanatory notes and reply-paid envelope, is 15·1p.

We have no plans at present to modify the form, but will be keeping it under review in the light of practical experience.

Pension Age and Retirement

Sir David Price: To ask the Secretary of State for Social Services (1) when, pursuant to his answer to the hon. Member for Eastleigh on 24 November, *Official Report*, columns *181-82*, he expects to conclude the study of the cost and economic implications of changes in pension age which started in 1986; and if he will publish the conclusions;

(2) what progress is being made in bringing about the decade of retirement proposed in the Green Paper entitled "Reform of Social Security," Cm. 9518, of June 1985.

Mr. Scott: At present I have nothing further to add to my replies to my hon. Friend on 24 November at columns *181-82*, except to emphasise that all the various options for change are being considered.

Health Authorities (Disputes)

Mr. Macdonald: To ask the Secretary of State for Social Services (1) whether he has any plans to reform the procedures governing disputes between the British Medical Association and local health authorities; and if he will make a statement;

(2) how many employment disputes are current between local health authorities and the British Medical Association; what has been the average time for settlement of such disputes over the past five years; and what is the average cost to the Health Service in locum salaries, ex gratia settlements and administrative costs of such disputes.

Mr. Newton: Procedures governing disputes between health authorities and recognised NHS staff organisations are a matter for each individual health authority. The General Whitley Council is responsible for general provisions relating to such procedures. I understand it has no plans at present to revise these provisions. However, the council is currently reviewing its agreement on procedures relating to individual employee grievances with a view to possible changes.

The detailed information requested is not collected centrally.

Autistic Children

Mr. Barry Jones: To ask the Secretary of State for Social Services what special measures he will take to assist

single parents of children who are autistic and mentally handicapped where such parents find themselves in a poverty trap under his Department's new regulations.

Mr. Scott: Under the reformed structure of income-related benefits introduced in April we have removed the anomaly whereby earning more can actually make a low-paid family in full-time work worse off because of benefit withdrawal. This removes one of the worst features of the poverty-trap.

Mr. Barry Jones: to ask the Secretary of State for Social Services (1) what is the annual estimated cost of caring for a nine-year-old autistic and mentally handicapped, hyperactive child in (a) a hospital and (b) a registered home;

(2) What payments would be made weekly to foster parents who would care for a nine-year-old autistic, mentally handicapped, hyperactive child;

(3) what payments a married woman would receive under income support when caring for her nine-year-old mentally handicapped, hyperactive, autistic child, assuming her husband earned £20,000 per annum; what back pay on income support she would be eligible for; and if he will make a statement.

Mr. Scott: The cost of caring for any handicapped person either in a hospital or residential care setting will vary according to his or her individual needs. Costs of care will be affected by such factors as treatment and support provided, day time occupation and leisure activities.

A boarding-out allowance can be paid by a local authority in respect of a child in care placed with foster parents. In addition, if the appropriate eligibility criteria are satisfied a foster parent can qualify for attendance allowance and invalid care allowance, and receive mobility allowance on behalf of the child.

It is unlikely that a woman in these circumstances would be entitled to supplementary benefit, and the question of back pay would not arise. However, if the hon. Member is referring to a specific case, and provides me with more details of it, I shall write to him.

Pensioners

Mr. Barry Jones: to ask the Secretary of State for Social Services when he proposes to reply to the letter from the hon. Member for Alyn and Deeside dated 15 December 1987 regarding the British Pensioners and Trade Union Action Association—Wales Pensioners.

Mr. Portillo: My noble Friend wrote to the hon. Member on 5 May 1988.

Waiting Lists

Mr. Frank Field: To ask the Secretary of State for Social Services if he will list the research studies referred to in paragraphs 5 and 8 of his Department's statistical bulletin of 2 June 1988 on hospital waiting lists and in the explanatory notes attached to the bulletin, indicating when those studies were carried out and the district health authorities examined by the researchers concerned.

Mr. Newton: The principal studies referred to are listed in the table and provide the information requested.

1. Davidge, M., Harley, M., Vickerstaff, L., Yates, J. (1987). "The anatomy of large inpatient waiting lists", *Lancet*, 1, 794-6.

2. Donaldson, L., Maratos, J. I., Richardson, R. A. (1984). "Review of an orthopaedic in-patient waiting-list", *Health Trends*, 16, 14-15.

3. Lee, A., Don, B., Goldacre, M. J. (1987). "Waiting list statistics. II: an estimate of inflation of waiting list length", *British Medical Journal*, 295, 1197-1998.

4. Lourie, J. A. (1978). "Notes on an orthopaedic waiting-list", *British Journal of Clinical Practice*, 32, 224-5.

5. Porter, K. M. (1985). "Orthopaedic audit—review of inpatient waiting lists", *British Medical Journal*, 291, 1216-1217.

6. Yates, J. (1987). *Why Are We Waiting?*, Oxford 11-12.

Mr. Robin Cook: To ask the Secretary of State for Social Services (1) if he will give for each regional health authority, district health authority and special health authority, the number of qualified medical secretaries contracted from agencies;

(2) how much has been paid by the National Health Service to agencies for contracting qualified medical secretaries for each regional health authority, district health authority, special health authority and for England as a whole in the last year for which figures are available.

Mr. Newton: I regret that this information is not held centrally.

Social Security Reform

Mr. Boswell: To ask the Secretary of State for Social Services what is the first-year cost of transitional protection *(a)* under the social security changes implemented in April and *(b)* under the further modifications he announced on 27 April.

Mr. Scott: Estimates of the information requested are *(a)* rather more than £200 million and *(b)* about £100 million.

Pathology Laboratories

Mr. Nellist: To ask the Secretary of State for Social Services if, pursuant to the reply to the hon. Member for Coventry, South-East on 3 May, he will place in the Library a copy of the report commissioned by the manpower planning advisory group on the staffing of pathology laboratories.

Mr. Newton: This report has not yet been published. A copy will be placed in the Library when the report is issued to health authorities and other interested parties.

Day Centres (Disabled Workers)

Mr. Alfred Morris: To ask the Secretary of State for Social Services what consultation he has had with the local authority associations on the implications for local authorities of the social security changes effective from 11 April in regard to physically disabled people working in day centres; how many local authorities have had to abolish payments to disabled workers as an alternative to closing day centres down; and if he will make a statement.

Mr. Scott: Disabled people who receive income support and who are entitled to the disability premium are now entitled to a higher (£15) disregard if they work part time. Prior to 11 April they were entitled to a £4 disregard. Additionally, those whose earning capacity is reduced to 75 per cent. or less of what they could otherwise earn, may work an unlimited number of hours and remain entitled to benefit. We have not consulted local authorities on the

implications of these changes, which are entirely beneficial to the individual claimant. We are not aware of any local authority abolishing payments to disabled workers as a result of these changes.

Doctors and Dentists (Merit Awards)

Mrs. Virginia Bottomley: To ask the Secretary of State for Social Services whether he plans to implement the recommendations on merit awards of the review body on doctors' and dentists' remuneration.

Mr. Newton: The report of the Review Body on Doctors' and Dentists' Remuneration suggests a number of changes to the distinction award system, and urges the health departments and the profession to consider whether the system can be improved in these or other ways. We are considering the implications of the recommendations which we will wish to discuss with the profession.

Cosmetic Surgery

Mr. Frank Field: To ask the Secretary of State for Social Services what proportion of hospital and community health services expenditure was attributable to cosmetic surgery in each of the last five years.

Mr. Newton: I reget that this information is not held centrally.

Withington Hospital (Detoxification Unit)

Mr. Alfred Morris: To ask the Secretary of State for Social Services if he will make a statement on the closure of the detoxification unit at Withington hospital, Manchester, and the proposed withdrawal of the in-patient facility at the hospital's alcoholism treatment unit.

Mrs. Currie *[holding answer 27 April 1988]:* Responsibility for the provision of patient services at Withington hospital, Manchester is a matter for South Manchester health authority in conjunction with the North Western regional health authority. I have made inquiries and I understand that discussions on the future of the unit are at a very early stage. No decisions will be made on major changes in the service for alcoholism unless and until it can be shown that adequate replacement services can be provided at alternative locations.

"From Black to White"

Mr. Wareing: To ask the Secretary of State for Social Services (1) how many copies of the recent dental postgraduate medical video entitled "From Black to White" were made and distributed; at whom they were specifically targeted; and what was the nature of the final distribution;

(2) what instructions he has given to dental reference officers in respect of the new treatment philosophy outlined in the dental video entitled "From Black to White"; if his Department has issued any guidance in relation to the use of the dental probe in examinations as recommended in the video; and if he will make a statement;

(3) what was the total cost of producing and distributing the dental postgraduate medical video entitled "From Black to White"; and if this cost will be met out of additional resources or out of existing allocations to postgraduate dental education.

Mrs. Currie *[holding answer 29 April 1988]:* The video "From Black to White" is the first in a series being produced by the British Postgraduate Medical Federation on behalf of the Department as a distance learning programme for the continuing postgraduate education of dentists. It is specifically targeted at those who do not regularly attend postgraduate training courses. Some 13,150 copies were made and are being distributed to practices providing treament under NHS general dental services in Great Britain at a cost of approximately £100,000.

The programme is being funded through additional money specially allocated to help in implementing the report of the committee of inquiry into unnecessary dental treatment was concerned that dentists should be encouraged to adopt a preventive approach. Whilst, as the committee pointed out, criteria for clinical intervention are primarily a matter for the profession the Department is taking a number of initiatives, of which production of the new video series is one, to encourage dentists to undergo regular updating training.

Dental reference officers are provided with suitable training to enable them to keep up to date with current clinical developments including minimal intervention techniques and methods of prevention. They have also been given guidance on the use of probes in dental examinations.

Medical Research

Ms. Harman: To ask the Secretary of State for Social Services if he will give the latest available figures for *(a)* the comparative levels of spending on medical research and general medical and clinical services on the National Health Service, and *(b)* the percentage of spending on medical research by the Medical Research Council and the National Health Service and the percentage change in these figures since 1980-81.

Mrs. Currie *[holding answer 4 May 1988]: (a)* In 1986-87, the latest year for which the figures are available, the total expenditure on medical research programmes funded by the Department of Health and Social Security, including the National Health Service locally organised research scheme amounted to £51·8 million. Total spending on general medical and clinical services in the same year amounted to £10,317·2 million.

(b) The table shows the information available.

	1980-81		*1986-87*		*Change*	
	cash £ million	*percentage*	*cash £ million*	*percentage*	*cash £ million*	*percentage*
Total	98·2		147·3			
Medical Research Council	92·9	94·6	137·6	93·4	+44·7	+48
NHS Locally Organised Research	5·3	5·4	9·7	6·6	+4·4	+83

The Medical Research Council receives its grant-in-aid from the Department of Education and Science.

Ms. Harman: To ask the Secretary of State for Social Services if he will give the latest available figure for the number of individual research programmes and projects supported by the Medical Research Council and National Health Service; and what is the percentage change since 1980-81.

Mrs. Currie *[holding answer 4 May 1988]:* In January 1987, the latest date for which an estimate is available, approximately 850 research projects were being supported under the NHS locally organised research scheme. A comparable figure is not available for 1980-81.

I understand that information about the number of individual research programmes and projects supported by the Medical Research Council, which is funded by grant-in-aid from the Department of Education and Science, is included in the council's annual reports, copies of which are available in the Library.

TRADE AND INDUSTRY

Enterprise Initiative

Mr. McAllion: To ask the Chancellor of the Duchy of Lancaster what is the number of enterprise initiative consultancies sponsored by his Department in the United Kingdom as a whole; and how many companies in the Tayside region will be eligible for such consultancy work.

Mr. Kenneth Clarke: From the launch of the enterprise initiative on 13 January to 22 April, we approved 1,649 applications for assisted consultancy following an initial business review by an enterprise counsellor.

All private sector manufacturing and service firms, in the Tayside region as elsewhere, with under 500 employees (or which are members of groups with under 500 employees) are eligible for such consultancy projects.

Electrical Safety Campaign

Mr. Thurnham: To ask the Chancellor of the Duchy of Lancaster if he will make a statement about the electrical safety campaign launched on 25 April.

Mr. Butcher: The electrical safety campaign launched on 25 April is aimed at reducing the numbers of people killed or seriously injured each year by electrocution or fires caused by electrical faults. The main focus of the campaign is to encourage people to install and use residual current devices (RCDs). These are potentially life-saving devices that operate by switching off the current almost immediately when they detect a fault. The campaign will run for 12 months and has started with the publication of a new consumer leaflet, the distribution of a promotional video, the opening of an RCD "helpline" and information bureau, and various other promotional techniques.

Managed Workshops

Mr. Bevan: To ask the Chancellor of the Duchy of Lancaster what progress he has made on the introduction of managed workshops.

Mr. Bowis: To ask the Chancellor of the Duchy of Lancaster when he expects to announce the completion of the first managed workshop.

Mr. Kenneth Clarke: We are inviting companies to "adopt" workshops in inner city areas by investing directly in the projects or by providing land, buildings or experienced managers to give business support on site. English Estates is looking for as much private sector involvement as possible and is currently investigating around a dozen projects in a variety of locations. The first project is expected to be ready for occupation early in 1989.

Inner Cities

Mr. Steen: To ask the Chancellor of the Duchy of Lancaster what specific steps he is taking to encourage business expansion and increased employment in the inner cities.

Mr. Alexander: To ask the Chancellor of the Duchy of Lancaster what action he is taking to increase employment in the inner cities.

Mr. Kenneth Clarke: Britain's economic success is the key to encouraging business expansion and employment in inner cities. Government action to encourage enterprise and job opportunities in these areas covers a range of programmes and initiatives amounting to some £3,000 million in 1988-89. Specific measures to encourage business expansion include additional support for inner city small firms under the enterprise initiative, extra small firms offices, a major new programme run by English Estates to provide managed workshop space and regional enterprise grants to support innovation and investment for very small firms (under 25 employees) in development areas. Specific employment measures include more MSC and employment service staff working in local communities advising and helping residents, new information points to guide people on training and jobs, new measures to involve employers in training and training projects aimed at specific job opportunities promoted by inner city task forces in co-operation with organisations such as the Industrial Society.

European Community (Ministerial Meetings)

Dr. Thomas: To ask the Chancellor of the Duchy of Lancaster when he next expects to meet his counterparts from other EEC states; and what matters he hopes to discuss.

Mr. Kenneth Clarke: My colleagues and I regularly meet our counterparts from other EC member states, in meetings of the Council of Ministers, in bilateral discussions, and in other international fora. At present I expect to attend the Industry Council planned for 27 May and 24 June, which is expected to discuss the future of the European Coal and Steel Community's steel production quota regime, and the Research Council on 29 June, which will discuss the Community's R and D policies. I also expect to meet Community colleagues at the EUREKA conference in Copenhagen on 15-16 June.

Aerospace

Mrs. Virginia Bottomley: To ask the Chancellor of the Duchy of Lancaster what was the trade balance of the aerospace industry in *(a)* 1987 and *(b)* 1986.

Mr. Atkins: The positive trade balance of the aerospace industry rose from £1·9 billion in 1986 to £2·4 billion in 1987.

Afcor Investments

Mr. Campbell-Savours: To ask the Chancellor of the Duchy of Lancaster whether he intends to prosecute the directors of Afcor Investments for employing unlicensed dealers in breach of the Prevention of Fraud (Investment) Act 1958.

Mr. Maude: My Department is considering the affairs of Afcor Investments Ltd. If the hon. Member has any information suggesting that dealers at Afcor were unlicensed he should supply it.

VR Shipping

Mr. Mullin: To ask the Chancellor of the Duchy of Lancaster, pursuant to his answer of 3 May to the hon. Member for Sunderland, South, what procedures constitute the full standard investigations carried out into the credit worthiness of companies by the Export Credits Guarantee Department; and what collateral was provided by VR Shipping on its ferry contract.

Mr. Kenneth Clarke: The investigation by the ECGD into the creditworthiness of VR Shipping comprised the obtaining and analysis of information on the company's financial background and current standing. Collateral was provided by a mortgage on each ship and the provision of third party guarantees.

AGRICULTURE, FISHERIES AND FOOD

Meat Processing Industry

Mr. Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food what steps are being taken by the EEC to ensure that the meat processing industry secures meat at prices competitive with imports; and if he will make a statement.

Mr. Donald Thompson: In January 1988 the Commission reintroduced sales of bone-in hindquarters from intervention for processing and reduced the price of forequarter meat by 10 per cent.

In February the Commission gave the following undertaking to the Agriculture Council:

"The Commission recognises the need to ensure that additional supplies of beef are available to the community meat processing industry on terms that enable Community production to be competitive with products from other sources. It will make additional quantities of meat available to processors from intervention stocks on terms which will take into account, as far as possible, the prices and other conditions which existed previously."

As far as we are aware, the Commission's sales policy in respect of meat for the processing industry has not given rise to problems of competition, except as regards high meat content canned beef products. My officials have made representations to the Commission services urging them to honour the undertaking given to the Council by making meat available to this part of the processing sector at prices which will enable it to compete with imports from third countries. We currently await the Commission's reaction.

Food (Disposal and Destruction)

Mr. Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the amount of cash to be used by Her Majesty's Government from their own resources on the disposal and destruction of food in the current year; and what were the comparable figures in each of the previous five years.

Mr. MacGregor: Expenditure in the United Kingdom on disposal and destruction of food[1] is as follows:

Year	*£ million*
1988-89	702
1987-88	694
1986-87	867
1985-86	650
1984-85	725
1983-84	657

Note [1]: Comprises export refunds (net of MCAs), subsidies for internal disposals, losses on sale out of intervention and depreciation of stocks.

This expenditure is reimbursed from the Community budget to which the United Kingdom is a net contributor. The Exchequer therefore funds all the United Kingdom's disposal costs and a proportion of those in other member states.

Beef

Mr. Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food what is the current total of beef in private and public intervention; and what were the comparable figures in mid-1986.

Mr. Donald Thompson: A note setting out the volume of public intervention stocks and stocks under aided private storage in the EC and the United Kingdom, which includes figures for beef, is deposited in the Library of the House and is updated on a monthly basis.

Mr. Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food what are the current common support levels for beef, expressed in £ sterling; and what were the comparable figures in mid-1986.

Mr. Donald Thompson: The following are the common price levels in ecus per 100kg at which forequarters are currently bought into intervention and the levels at which they were bought in mid-1986. The sterling equivalents appear in brackets, but do not represent common price levels since the representative (or green) rate used to convert ecus into sterling produces the support level obtained in the United Kingdom only. The actual sterling price paid in the United Kingdom is lower than those shown because a deduction is made proportionate to the value of the variable premium, currently £18·66 per 100kg and £16·69 per 100kg in 1986. The qualities shown are not all bought in each member state.

	1988		*1986*	
	ecus/100kg	*£/100kg*	*ecus/100kg*	*£/100kg*
Young Bulls				
U2	246·242	174·97	295·2	187·64

	1988		1986	
	ecus/100kg	£/100kg	ecu/100kg	£/100kg
U3	242·860	172·56	292·8	186·64
R2	243·490	173·01	283·2	180·01
R3	240·002	170·53	280·0	177·98
O2	225·713	160·38	264·8	168·31
O3	222·283	157·94	160·8	165·77
Steers				
U2	253·062	179·81	284·0	180·52
U3	249·586	177·34	280·0	177·98
U4	242·634	172·40	272·0	172·89
R2	239·641	170·28	268·0	170·35
R3	232·674	165·33	260·0	165·26
O3	220·897	156·96	240·0	162·72

Radioactivity (Skipton)

Dr. David Clark: To ask the Minister of Agriculture, Fisheries and Food if he will place in the Library the results of the surveys of deposition of radioactivity in the Skipton area of Yorkshire following the Chernobyl fallout.

Mr. Donald Thompson *[pursuant to his reply, 15 March 1988, c. 525]:* The Institute of Terrestial Ecology has now completed its further study of radio-caesium deposition in north Yorkshire and copies of its report are being placed in the Library of the House today.

EMPLOYMENT

YTS

Mr. Paice: To ask the Secretary of State for Employment, of those YTS managing agents who received provisional ATO status at the end of their first monitoring period, *(a)* how many were awarded full status after a further monitoring period, *(b)* how many withdrew application, *(c)* how many were rejected after a further monitoring period and *(d)* what other outcomes there were.

Mr. Cope: Of the 1,715 managing agents who had been awarded provisional ATO status after the first monitoring period (which ended on 31 July 1987), 1,353 had been awarded full status, 90 had withdrawn, and seven had been rejected, by 31 March 1988. Two hundred and sixty-five decisions are awaited, most of which will be taken by mid-May.

Mr. Paice: To ask the Secretary of State for Employment, of those YTS managing agents who applied for ATO status, how many, at the end of the first monitoring period, *(a)* received full status, *(b)* received provisional status, and *(c)* were rejected; and of those that were rejected at area manpower board level, how many were awarded provisional status on appeal to the youth training board.

Mr. Cope: Of the 3,184 YTS managing agents who applied for ATO status by 30 September 1986, 1,393 were awarded full status, 1,712 provisional status, and 14 were rejected, by 31 July 1987. In addition, 64 withdrew, and one decision is still outstanding.

There is no right of appeal to the youth training board against rejection, but 12 rejected organisations requested the chairman of the MSC to review their cases. After taking advice from a panel of area manpower board chairmen, the chairman decided to award provisional status in three cases.

Mr. Paice: To ask the Secretary of State for Employment how many YTS managing agents were under contract to the Manpower Services Commission on 1 April 1986; and, of these, how many applied for approved training organisation status.

Mr. Cope: Contracts between the Manpower Services Commission and managing agents are agreed locally. There is no central record of the number of such contracts at 1 April 1986. However, all managing agents with contracts to provide YTS from 1 April 1986 were required to become approved training organisations by 30 September 1986. The number of such applications was 3,184.

Tourism (Grants)

Mr. Warren: To ask the Secretary of State for Employment what is the policy of Her Majesty's Government in relation to requiring those receiving grant under tourist board allocations to return the sums granted under certain circumstances; and if he will make a statement.

Mr. Lee: In assisting tourism projects under section 4 of the Development of Tourism Act 1969, the English tourist board has made increasing use of grants which are repayable if the project achieves minimum performance targets. I have asked the board to seek to increase further its use of repayable forms of assistance.

The ETB may also reclaim assistance paid in cases where the offer conditions have been breached. In the 1987-88 financial year ETB agreed to seek reclaim of assistance totalling £263,000.

Thorpe Hall, Peterborough

Mr. Moss: To ask the Secretary of State for Employment if he will make a statement on progress of the drystone wall being constucted under the community programme around Thorpe hall in Peterborough.

Mr. Nicholls: I understand that work on the drystone wall under construction at Thorpe hall is progressing satisfactorily, and it is expected that the wall will be completed in June this year.

Blind and Deaf Persons

Mr. Leighton: To ask the Secretary of State for Employment what information he has as to the numbers of *(a)* blind and *(b)* deaf people in the working population.

Mr. Lee: The only information available which relates specifically to these categories of disability is for those who have chosen to register as disabled under the terms of the Disabled Persons (Employment) Act 1944. In April 1987 the register included 6,768 blind people and 15,541 deaf people.

Docklands (Unemployment Characteristics)

Mr. Leighton: To ask the Secretary of State for Employment what are the characteristics of the unemployed in the urban development area of London docklands, including age, gender and previous employment.

Mr. Lee: The following information is in the Library. The tables show the number of male and female unemployed claimants, by age, in each of the London boroughs which cover the London docklands area, on the latest available date, 14 January 1988. Information on the nature of previous employment of unemployed claimants is unavailable.

	Unemployed claimants	
	Males	*Females*
Local authority area—Newham		
Under 17 years	95	94
17 years	239	190
18 years	309	229
19 years	379	277
20 to 24 years	2,068	924
25 to 29 years	1,702	541
30 to 34 years	1,261	308
35 to 39 years	929	220
40 to 44 years	766	216
45 to 49 years	721	288
50 to 54 years	802	232
55 to 59 years	800	238
Over 60 years	353	6
Total all ages	10,424	3,763
Local authority area—Tower Hamlets		
Under 17 years	67	75
17 years	188	152
18 years	204	158
19 years	255	159
20 to 24 years	1,576	766
25 to 29 years	1,716	445
30 to 34 years	1,398	214
35 to 39 years	947	146
40 to 44 years	796	209
45 to 49 years	1,035	226
50 to 54 years	1,196	207
55 to 59 years	1,188	233
Over 60 years	413	18
Total all ages	10,979	3,008
Local authority area—Southwark		
Under 17 years	100	78
17 years	219	148
18 years	271	220
19 years	409	265
20 to 24 years	2,820	1,314
25 to 29 years	2,615	787
30 to 34 years	1,736	359
35 to 39 years	1,255	302
40 to 44 years	1,006	334
45 to 49 years	914	294
50 to 54 years	832	295
55 to 59 years	896	309
Over 60 years	400	20
Total all ages	13,473	4,725

Docklands (Restart Interviews)

Mr. Leighton: To ask the Secretary of State for Employment what is the average length of a restart interview in the three London docklands boroughs.

Mr. Lee: Surveys have shown that the average length of a restart interview is about 30 minutes. Separate information is not available for specific areas. The length of a restart interview depends on the circumstances of the unemployed person.

Black Employees

Mr. Janner: To ask the Secretary of State for Employment whether he will take steps to seek the remedy of inequality of treatment accorded to black employees, as recommended in the report of the Select Committee on Employment on discrimination in employment (HC. 1986-87.180.)

Mr. Nicholls: The Government's response to the recommendations of the Select Committee report is set out in the "First Special Report on Discrimination In Employment: Observations by the Government on the First Report of the Committee in Session 1986-87," which was published by the Committee on 16 December 1987.

Mines and Quarries Act 1954

Mr. Illsley: To ask the Secretary of State for Employment whether he has any proposals to introduce legislation to amend the Mines and Quarries Act 1954; and if he will make a statement.

Mr. Nicholls: Last December my Department issued a consultative document entitled "Restrictions on Employment of Young People and the Removal of Sex Discrimination in Legislation", which put forward a number of proposals for amending, among other legislation, the Mines and Quarries Act 1954. The Government are giving careful consideration to the responses they have received. Also the Health and Safety Commission, in consultation with the employers and unions, is engaged in drawing up a comprehensive series of regulations and codes under the Health and Safety at Work etc. Act 1974 which is intended to replace the Mines and Quarries Act 1954 and associated legislation. The new legislation is designed to maintain and improve standards of health and safety and take account of technological developments.

Benefits (Eligibility)

Mr. McLeish: To ask the Secretary of State for Employment if he will provide details for each region of the number of people referred to the benefit authorities because of doubts about their eligibility which have

stemmed from a request by them for a lowest weekly wage or salary, before stoppages, which is considered excessive or unrealistic.

Mr. Lee: The information requested is not available and could be obtained only at disproportionate cost.

Restart Interviews

Mr. McLeish: To ask the Secretary of State for Employment how many restart interviews have taken place in each of the standard regions in each month between June 1986 and the most recent date for which information is available.

Mr. Lee: The information requested by employment service regions is shown in the table:

	1986-87									
Employment service region	*June*	*July*	*August*	*September*	*October*	*November*	*December*	*January*	*February*	*March*
London and South East	8,126	18,183	21,676	14,836	29,361	31,846	25,906	35,440	42,812	31,281
South West	1,667	5,312	4,862	5,084	8,281	7,444	4,261	12,369	9,438	5,560
West Midlands	4,567	17,061	4,750	12,960	23,595	21,742	25,783	14,357	27,255	18,162
East Midlands	3,155	8,073	6,325	8,331	13,810	15,488	7,851	22,911	17,457	9,851
Yorkshire and Humberside	2,831	10,626	9,837	11,065	16,924	15,003	9,548	23,539	20,032	15,523
North West	11,364	22,752	19,176	20,498	28,149	26,573	14,199	34,968	24,105	14,807
Northern	6,177	9,810	3,298	8,763	12,985	12,411	6,730	16,228	11,099	8,597
Wales	4,446	6,536	5,031	5,722	8,925	8,273	4,197	13,690	10,952	7,508
Scotland	9,102	12,034	11,374	11,714	17,162	16,482	8,354	24,663	21,381	15,298

	1987-88									
Employment service region	*April*	*May*	*June*	*July*	*August*	*September*	*October*	*November*	*December*	*January*	*February*	*March*
London and South East	18,715	27,506	34,765	49,733	40,793	38,726	56,187	48,806	37,538	70,415	43,861	42,463
South West	4,637	7,124	9,354	12,582	11,419	10,488	14,810	13,314	9,978	13,341	11,611	10,315
West Midlands	10,775	18,026	23,744	30,108	22,972	20,857	25,780	21,503	18,652	24,472	22,617	20,367
East Midlands	8,958	12,801	20,803	23,324	17,681	17,157	23,212	20,421	14,062	16,927	16,701	15,190
Yorkshire and Humberside	8,452	12,510	15,534	23,552	20,400	19,877	28,466	26,257	20,792	23,408	18,591	16,675
North West	12,848	22,596	29,079	39,357	30,735	27,512	39,483	32,416	24,563	33,387	30,982	29,956
Northern	6,683	11,741	13,774	18,588	14,478	14,309	19,549	14,908	11,656	14,654	13,145	12,128
Wales	5,343	8,617	11,402	15,107	10,135	10,085	13,426	12,103	9,117	12,526	11,034	11,165
Scotland	10,325	21,461	22,129	28,189	23,239	23,151	30,435	26,796	21,364	25,749	25,621	22,763

Mr. McLeish: To ask the Secretary of State for Employment if he will provide details for each standard economic region of the average lowest weekly wage or salary, before stoppages, that unemployed people have said that they would be prepared to accept at restart interviews.

Mr. Lee: The information requested is not available.

Mr. McLeish: To ask the Secretary of State for Employment if, in the light of the Manpower Services Commission report No. 269/S, "An Evaluation of the Impact of Restart Follow-up Interviews on Counsellors and Clients," there are any plans to reorganise the work of restart interviewers in order to reduce the level of stress amongst staff.

Mr. Lee: The report did not conclude that restart counselling, of itself, was a stressful occupation but that some individuals had experienced stress.

One of the recommendations of the report was that restart counselling staff should follow up some of their clients, this improving both the quality of the programme and job satisfaction. As I announced in the White Paper "Training for Employment", follow up is being incorporated into the programme on a national basis in 1988-89.

Mr. McLeish: To ask the Secretary of State for Employment what methods of monitoring are used to assess the level of stress amongst restart interviewers.

Mr. Lee: It is the responsibility of managers in the employment service to monitor the performance and well-being of their staff on a continuous basis.

Mr. McLeish: To ask the Secretary of State for Employment if all restart offices use selective procedures in assessing who should be invited to a follow-up interview; and what are the criteria upon which selection is based.

Mr. Lee: In those offices where follow-up interviews are currently taking place, the decision which groups should be invited to interview is a matter for local management.

However, a systematic basis for follow-up is currently being developed for implementation as part of the package of proposals announced in the White Paper "Training for Employment."

Mr. McLeish: To ask the Secretary of State for Employment what is the recommended length of time that restart counsellors are maintained as interviewers.

Mr. Lee: The length of time counselling staff stay in post is a matter to be decided between the individual and local management.

Mr. McLeish: To ask the Secretary of State for Employment what was the average number of interviews conducted by restart counsellors per day and per week in each of the standard economic regions for each month between June 1986 and the most recent date for which information is available.

Mr. Lee: The information is not available in the form requested. However, during 1987-88 an average of 45 interviews a week was carried out for each counselling post allocated to the programme. A detailed breakdown for the employment service regions is as follows:

Weekly average number of restart interviews per counselling post—1987-88

	April	May	June	July	August	September	October	November	December	January	February	March
Northern	29	39	45	49	48	47	51	49	38	38	43	40
Yorkshire and Humberside	26	29	36	44	48	46	53	61	48	44	43	39
East Midlands and Eastern	31	33	54	48	46	44	48	53	36	35	43	39
London and South East	27	30	38	44	45	43	49	54	41	44	48	47
South West	24	30	39	42	46	44	49	55	42	44	48	43
Wales	30	36	48	51	43	43	45	51	39	42	47	47
West Midlands	28	35	46	47	45	40	40	42	36	38	44	39
North West	25	34	43	47	46	41	47	48	36	40	46	44
Scotland	28	44	45	46	47	47	49	54	43	42	52	46
Great Britain Total	28	34	43	46	46	44	48	52	40	41	46	43

Benefit Claims (Fraud)

Mr. Marlow: To ask the Secretary of State for Employment how many claimants were found in the recent fraud investigations in the west midlands to have been making claims for benefit to which they were not entitled; what proportion this represents of the total number of benefit claimants in the west midlands; and what is the latest figure for the total number of claimants nationally.

Mr. Lee: In the two recent very successful fraud investigations in the west midlands, a total of 558 claimants withdrew their benefit claims following investigations by my Department. This represents 0·2 per cent. of the total number of people unemployed and claiming benefit in the west midlands region. The national total in March 1988 was 2,564,000.

Labour Statistics

Dr. Marek: To ask the Secretary of State for Employment what estimate he has made of the total number of jobs lost by business as a result of competition from the enterprise allowance scheme: and if he will give any figures he has for the most recent period.

Mr. Cope: Reliable information on the number of jobs lost by business as a result of competition from the enterprise allowance scheme is extremely difficult to obtain and no figures are currently available. Work is continuing on how the displacement effect of increased competition from new businesses might be measured.

HOUSE OF COMMONS

Staff Statistics

Mr. Frank Cook: To ask the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, what was the percentage of the House of Commons Commission employees registered as disabled on the payroll for each year since its inception.

Mr. Beith: The figures requested are as follows:

Registered Disabled Employees as a percentage of Total Employees

	Percentage
1979-80	0·9
1980-81	1·0
1981-82	1·0
1982-83	1·0
1983-84	1·1
1984-85	1·0
1985-86	0·9
1986-87	0·8

Mr. Frank Cook: To ask the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, how many individuals officially registered as disabled have been engaged by the House of Commons Commission in each year since its inception.

Mr. Beith: The figures requested are as follows:

Number of Newly Engaged Registered Disabled Individuals

	Number
1979-80	3
1980-81	1
1981-82	nil
1982-83	nil
1983-84	1
1984-85	nil
1985-86	1
1986-87	nil

The Commission's policy on the employment of disabled persons is set out in the fourth annual report of the House of Commons Commission (1981-82).

Mr. Frank Cook: To ask the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, how many people were employed by the House of Commons Commission in each year since its inception.

Mr. Beith: The numbers of staff employed by the Commission at 1 October in each year since its inception (1978) are as follows:

Year	Numbers
1979	839
1980	868
1981	879
1982	893
1983	918
1984	917
1985	934
1986	964
1987	967·5

Notes:
1. The figures include part-time staff.

2. Staff-in-post figures are higher than figures for staff complement (stated in the Commission's reports) eg two half-time staff in post would equate to one post on the complement.

Members' Staff

Mr. Madden: To ask the Lord President of the Council, pursuant to his reply of 28 April, *Official Report*, column *246*, if he will list the names of all those persons currently employed by right hon. and hon. Members on a permanent or temporary basis, showing by which right hon. or hon. Member they are employed, but omitting the information in relation to pass holders originally requested.

Mr. Wakeham: No. It is entirely a matter for right hon. and hon. Members to make their own arrangements as to whom they employ.

Written Answers to Questions

Tuesday 10 May 1988

HOME DEPARTMENT

Settlement Applications

Mr. Corbyn: To ask the Secretary of State for the Home Department how many inquiries have been received at British embassies and high commissions in *(a)* South Africa, *(b)* Zimbabwe, *(c)* Canada, *(d)* Australia and *(e)* New Zealand for settlement in the United Kingdom by descendants of United Kingdom-born grandparents for each year since 1982 and each month to date in 1988;

(2) from which countries, and in which years, people have entered the United Kingdom in each year since 1971 for settlement on the grounds of United Kingdom ancestry.

Mr. Renton: The information available centrally relates to the numbers of persons accepted for settlement on the grounds of being a Commonwealth citizen with a grandparent born in the United Kingdom. Provisional figures for 1987 are given in the table. Equivalent figures for earlier years can be found in the annual Command Paper "Control of Immigration: Statistics, United Kingdom" (tables 3 and 4A of the issue for 1986—Cm. 166). South Africa is not a member of the Commonwealth and therefore citizens of that country cannot obtain settlement in this way.

Numbers of Commonwealth citizens with a UK-born grandparent accepted for settlement in the United Kingdom — 1987

Nationality	*On arrival*	*On removal of time limit*
Australia	1,740	250
Canada	420	80
New Zealand	1,700	360
Zimbabwe	90	50
Other	80	30
All nationalities	4,020	770

Working Holidays

Mr. Corbyn: To ask the Secretary of State for the Home Department how many applications have been received at posts overseas for an entry certificate or visa over the past 10 years under the working holidaymaker provision; how many of the applicants were granted entry certificates or visas on that basis and how many were refused, for each year; and what is the average length of time taken to arrive at a decision on such an application.

Mr. Renton: The information requested is not available centrally.

Mr. Corbyn: To ask the Secretary of State for the Home Department what information leaflets for people who inquire about working holidaymaker provisions are available; what form of evidence is required to prove that applicants will not have recourse to public funds, as required by the rule; what happens to such applications where there is no United Kingdom sponsor; and if inquiries are conducted in the United Kingdom of a sponsor in cases of such applications.

Mr. Renton: There are no information leaflets on working holidays, but entry clearance officers are always ready to give advice about the arrangements. In deciding whether applicants qualify for entry clearance or leave to enter, account is taken of available funds and whether there is a reasonable prospect of their finding work to help support themselves. Sponsorship is not obligatory, though, where reliance is placed upon it, suitable inquiries may be made if that is considered necessary.

Firearms

Sir Hector Monro: To ask the Secretary of State for the Home Department when he now expects to announce the compensation scheme for firearms that may be made illegal under the Firearms (Amendment) Bill, presently before the House.

Mr. Douglas Hogg: Shortly.

Mr. William Ross: To ask the Secretary of State for the Home Department what is the total number of firearms clubs currently approved by his Department; how many are *(a)* rifle clubs and *(b)* pistol clubs; and how many that have been given approval come under the control of (i) the National Rifle Association, (ii) the National Small Bore Rifle Association and (iii) the National Pistol Association.

Mr. Douglas Hogg: About 8,000 clubs are approved under section 11 of the Firearms Act 1968. The detailed information requested is not readily available.

Mr. William Ross: To ask the Secretary of State for the Home Department if he will call for a report from the chief constable of Thames Valley police as to how many firearm certificates *(a)* he granted, *(b)* he varied and *(c)* he renewed to persons who had not completed a minimum of 6 months' probationary period with a firearms club for the purpose of shooting rifle or pistol/revolver at targets only on Ministry of Defence approved ranges.

Mr. Douglas Hogg: I understand from the chief constable of Thames Valley that information in the form requested is not available. With regard to probationary membership generally, I would refer the hon. Member to the reply to his question on 31 March, at column *446*.

Dunmore Shooting Centre Club

Mr. William Ross: To ask the Secretary of State for the Home Department (1) if he will set out in the *Official Report* what was stated in writing by the secretary of the Dunmore Shooting Centre Club on the RCI application for the approval of a rifle club by his Department which was granted on 16 September 1986, to the numbered question 6, "The club has regular use of the following ranges", and, for "type of firearm.";

(2) if he will set out in the *Official Report* what was stated in writing by the secretary of the Dunmore Shooting Centre Club on the RCI application for the extension of a rifle club by the Secretary of State, which approval was extended and granted on 15 February, to the numbered question 6, "The club has regular use of the following ranges," and, for "type of firearm."

Mr. Douglas Hogg: It is not the practice to disclose the contents of individual applications.

Mr. William Ross: To ask the Secretary of State for the Home Department whether the typographical error regarding the date of the extension of his Department's approval of the Dunmore Shooting Centre Club in his answer to the hon. Member for Londonderry, East on 31 March, *Official Report*, column *687*, was made in his Department or by the Thames Valley police.

Mr. Douglas Hogg: The error, for which I apologise, was made in my office.

Michael Ryan

Mr. William Ross: To ask the Secretary of State for the Home Department if he will call for a report from the chief constable of the Thames Valley police as to the reasons why he did not make a written application to the out of Thames Valley police authority area club, the Wiltshire Shooting Centre, in connection with the application by the late Michael Ryan dated 14 July 1987 for a variation to his firearms certificate.

Mr. Douglas Hogg: I refer the hon. Member to the reply to his question on 31 March, at column *691*.

Mr. William Ross: To ask the Secretary of State for the Home Department if, further to his answer to the hon. Member for Londonderry, East, *Official Report*, 3 May, columns *428-29*, he will now call for a report from the chief constable of Thames Valley police as to what date the crime prevention officer who compiled the report dated 27 April 1987 entered details in his pocket book of the date of his visit to inspect the security arrangements for the firearms of the late Michael Ryan.

Mr. Douglas Hogg: I understand from the chief constable that the date in question was 23 April 1987.

Special Constabulary

Mr. Madden: To ask the Secretary of State for the Home Department if he will introduce rights of appeal for those persons dismissed from the special constabulary.

Mr. Douglas Hogg: There are no plans to introduce a right of appeal for those persons dismissed from the special constabulary. The need for a discipline code for special constables has been consered from time to time. The conclusion has always been that it is neither sensible nor practicable to apply such a code to voluntary, part-time and unpaid officers.

Security Services

Mr. Winnick: To ask the Secretary of State for the Home Department if he will publish an annual report on the work of the security services.

Mr. Hurd: No.

Water Authorities (Customer Information)

Mr. Hinchliffe: To ask the Secretary of State for the Home Department at whose initiative the Data Protection Registrar was asked to investigate Yorkshire water authority's practice of selling information about its customers to private mail advertising agencies.

Mr. Renton: I am informed by the Data Protection Registrar that the matter was drawn to his attention by the *Bradford Telegraph and Argus*. It is the registrar's normal practice to investigate cases which suggest a possible breach of the Data Protection Act.

Mr. Hinchliffe: To ask the Secretary of State for the Home Department if he will take steps to ensure that the results of the Data Protection Registrar's investigation of Yorkshire water authority's practice of selling information about its customers are made public.

Mr. Renton: My right hon. Friend has no powers to direct the Data Protection Registrar in this matter. I am informed by the registrar that he determines whether or not to give publicity to the results of investigations he undertakes in the light of the circumstances found. No conclusions have yet been reached in this case.

"Spotlight"

Mr. Cash: To ask the Secretary of State for the Home Department what assessment he has made of the implications for broadcasting standards of the decision by the British Broadcasting Corporation to broadcast the programme, "Spotlight", in Northern Ireland which related to the recent killings in Gibraltar.

Mr. Renton: We regret that the BBC came to this decision, but we do not draw general conclusions from it about broadcasting standards.

PRIME MINISTER

NHS (Manchester)

Mr. Alfred Morris: To ask the Prime Minister what recent representations she has received from the city of Manchester in regard to the National Health Service and the problems of patient care in Manchester's hospitals; what reply she has made; if she will publish the correspondence in the *Official Report*; and if she will make a statement.

The Prime Minister: I have received a letter from the hon. Member for Manchester, Central (Mr. Litherland) enclosing one from Councillor Eileen Kelly, a copy of which was also sent to my right hon. Friend the Secretary of State for Social Services. My hon. Friend the Parliamentary Under-Secretary of State for Social Services has now replied to the letter. It is not my usual practice to publish exchanges of this kind.

Engagements

Mr. Haynes: To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

Mr. Bowis: To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

Mr. Andrew Mitchell: To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

Mr. Mans: To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

Ms. Walley: To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

Mr. Barry Field: To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

Mr. Wigley: To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

Mr. Stern: To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

Mr. Ieuan Wyn Jones: To ask the Prime Minister if she will list her official engagements for Tuesday 10 May.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today, including one with the *President of Guyana*.

ENVIRONMENT

Energy Efficiency

Mr. Rowlands: To ask the Secretary of State for the Environment what are his Department's target reductions in energy usage for 1988-89; what is his Department's target reduction in electricity usage for lighting in 1988-89; and what investment his Department is planning to make in new energy efficient lighting equipment in 1988-89 to achieve those target reductions.

Mr. Chope: My Department's target reductions in energy usage for 1988-89 are:

	Per cent.
DOE(C)	5
PSA	5

Central DOE has reduced energy costs by about 18 per cent. over the past two years. In the case of PSA energy costs have been reduced by almost 13 per cent. over the same period.

Because of the wide range of operational requirements and types of buildings, it is not feasible to set specific targets for particular forms of energy consumption and investment in energy-efficient lighting equipment forms only part of the steps to be taken to reduce usage.

Rates

Mr. Holt: To ask the Secretary of State for the Environment if he will list the 10 local authorities whose combined precept for rates, county, district and parish, are the highest in England.

Mr. Chope: The table contains the available information for the 10 authorities with the highest combined rates and precepts as requested:

General Rate Poundages 1988-89 (p)

	Poundages
Bolsover	347·73
Sheffield	347·50
North East Derbyshire	343·65
Calderdale	337·86
High Peak	333·31
Chesterfield	332·22
Bradford	331·55
Langbaurgh-on-Tees	330·41
Harlow	327·90
Manchester	327·04

Council Estates (Purchases)

Ms. Walley: To ask the Secretary of State for the Environment whether his Department has been informed of any initiatives by housing associations and private developers to purchase council estates or parts of estates.

Mrs. Roe: I am aware that local authorities in many parts of the country have already disposed of houses and flats to housing associations and private developers or are discussing the possibility. The local authorities concerned will be the best source of information.

Water Pipes

Mr. Cohen: To ask the Secretary of State for the Environment how many kilometres of water piping in England and Wales are bitumen-lined.

Mr. Moynihan: I am advised that, as a broad estimate, 200,000 km of water mains in England and Wales are lined with bituminous materials.

Parliament (Women's Toilets)

Ms. Walley: To ask the Secretary of State for the Environment on which days, and at what times over the last four weeks, women's toilets off the Committee Room Corridor were cleaned.

Mr. Chope: The lavatories were cleaned between the following times, *(a)* Monday to Thursday, 6.00-8.30 am, noon-1 pm, 2.30-3.30 pm, and 8 pm and the House rising; *(b)* Friday 6-8.30 am, noon-1 pm and 2.30-3.30 with two exceptions. On Monday 11 April the fourth clean was omitted and on Monday 2 May no cleaning took place. No cleaning was carried out on Saturdays and Sundays. The frequency of the cleaning was in accordance with the terms of the contract.

European Community (Ministerial Meetings)

Dr. Thomas: To ask the Secretary of State for the Environment when he last met his ministerial counterparts with responsibility for local government from the other European Community states; and what matters were discussed.

Mr. Chope: Common interests in matters concerning local government in European states go wider than the European Community. Discussion of such issues takes place in the forum of the Council of Europe. Meetings of local government Ministers take place about every two years. The next will be in September.

Business Expansion Scheme (Housing)

Mr. Battle: To ask the Secretary of State for the Environment what steps are being taken to ensure that the business expansion scheme housing provisions are not used to produce sub-standard housing and insecure tenancies.

Mrs. Roe: To qualify for tax relief under the scheme dwellings would need to be fit for human habitation and to have all the standard amenities within the meaning of the Housing Act 1985. Tenancies would need to be new-style assured tenancies under the Housing Bill which provide long-term security of tenure.

Council House Sales

Mr. Thurnham: To ask the Secretary of State for the Environment what is the total number of right to buy sales to date since the passing of the Housing Act 1980.

Mrs. Roe: A total of 689,000 dwellings in England had been sold by local authorities, new towns and housing associations under the right-to-buy legislation up to the end of December 1987.

Water Companies Association

Mrs. Virginia Bottomley: To ask the Secretary of State for the Environment when he next plans to meet representatives of the water companies association; and what matters will be discussed.

Mr. Moynihan: My right hon. Friend has no immediate plans to meet representatives of the Water Companies Association.

Balanced Flue Gas Appliances

Mr. John M. Taylor: To ask the Secretary of State for the Environment if he will review the current regulations for the installation of balanced flue gas appliances, in the light of the findings of Midland Environment Ltd. of relatively high concentrations of nitrogen dioxide on estates where large numbers of appliances are installed.

Mr. Trippier: The findings of the report by Midland Environment Limited, together with subsequent, more detailed, research being undertaken at the Building Services Research and Information Association, will be considered as part of the ongoing review of the safety aspects of the building regulations.

Water Authorities (Customer Information)

Mr. Hinchliffe: To ask the Secretary of State for the Environment what is the most recent available figure for the amount of income per annum generated by water authorities selling information about their customers to private agencies.

Mr. Moynihan: I have no such information.

Mr. Hinchliffe: To ask the Secretary of State for the Environment what steps he has taken to satisfy himself that the practice of certain water authorities in selling information about their customers to outside agencies is in the interest of the authorities' consumers.

Mr. Moynihan: None. Like other bodies, water authorities are subject to the provisions of the Data Protection Act.

Housing Association Dwellings

Mr. Simon Hughes: To ask the Secretary of State for the Environment (1) how many housing association dwellings, which were developed with local authority funding but became empty and uninhabitable because the local authority could not finance the necessary major repairs *(a)* were repaired, with Housing Corporation funding and *(b)* remained empty, as the Housing Corporation could not finance the necessary major repairs (1) during 1984-85, (2) during 1985-86 and (3) during 1986-87; and if he will give this information (i) for England as a whole, (ii) for Greater London, (iii) for metropolitan areas outside London, (iv) for non-metropolitan areas and (v) for each English local authority area;

(2) how many housing association dwellings, which were originally developed with local authority finance *(a)* became or *(b)* remained empty and uninhabitable (1) during 1984-85, (2) during 1985-86 and (3) during 1986-87, as the local authority could not fund necessary major repairs; and if he will give this information (i) for England as a whole, (ii) for Greater London, (iii) for metropolitan areas outside London (iv) for non-metropolitan areas and (v) for each English local authority area;

(3) how many housing association dwellings, developed with local authority funding, are currently empty and uninhabitable because the local authority is unable to finance the necessary major repairs *(a)* for England as a whole, *(b)* for Greater London, *(c)* for metropolitan areas outside London, *(d)* for non-metropolitan areas and *(e)* for each English local authority area.

Mrs. Roe *[holding answer 9 May 1988]:* The information is not available in the form requested. However, a Housing Corporation survey in June 1985 indicated that 745 housing association dwellings mortgaged to local authorities in England were vacant because of a need for major repairs. During the years in question Housing Corporation funding was not normally available for major repair to housing association dwellings originally developed with local authority finance, although the corporation has now been authorised to fund repairs wherever the local authority is genuinely unable to do so itself on condition that the dwellings are then let to homeless people.

Rating Reform

Dr. Cunningham: To ask the Secretary of State for the Environment when he received the Price Waterhouse report on administering the community charge; and if he will announce the arrangements he is making to disseminate the report.

Mr. Ridley *[holding answer 9 May 1988]:* I expect to receive this report shortly and will consider then how best to disseminate its findings.

Departmental Responsibilities (Staff Allocation)

Mr. Simon Hughes: To ask the Secretary of State for the Environment if he will give figures for the allocation of staff to the areas of responsibility of his Department of *(a)* housing, *(b)* local government and *(c)* environmental protection and research for each year since 1974 for which figures are available.

Mr. Ridley *[holding answer 9 May 1988]:* The table shows the information for each year since 1983. The information is not readily available for earlier years.

Department of the Environment (Central)
Staff numbers from 1 April 1983 to 1 April 1988

Command	*1 April 1983*	*1 April 1984*	*1 April 1985*	*1 April 1986*	*1 April 1987*	*1 April 1988*
Housing and Construction (including Rent Assessment Panels)	374	346	377·5	388·5	1296	1328
Local Government and Local Government Finance	133·5	152·5	207·5	213	200	207
Environment Protection	1,066	1,022	1,015·5	1,044·5	232	227

Notes:
1. The Building Research Establishment (750 staff at 1 April 1987) transferred from the Environmental Protection command to the Housing command during 1986-87.
2. The Department's statistical services were centralised and included in the Housing Command from 1 April 1987.
3. Her Majesty's Inspectorate of Pollution was created on 1 April 1987. Staff numbers for the Environmental Protection Command at 1 April 1987 and 1 April 1988 do not include staff in the Inspectorate.
4. The totals for Environmental Protection exclude Staff working on Water topics.
5. Staff working on research are shown against the area of work for which the research is undertaken, except for BRE which is included against Environmental Protection up to 1 April 1986 and Housing thereafter.

Houses (Multiple Occupation)

Mr. Blunkett: To ask the Secretary of State for the Environment what procedures he intends to bring forward to monitor and regulate the use of bed-and-breakfast accommodation and houses in multiple occupation should the proposed Housing Bill become law.

Mr. Waldegrave: We do not propose to introduce any specific procedures for this purpose.

EDUCATION AND SCIENCE

Student Support

Mr. Matthew Taylor: To ask the Secretary of State for Education and Science if he is yet in a position to make a statement on his proposals for the reform of student financial support.

Mr. Wallace: To ask the Secretary of State for Education and Science when he expects to announce his proposals for the reform of the system of student financial support.

Mr. Jackson: The Government will determine their policy in the light of the conclusions of the review of student support. They will publish their proposals for the future of student support in due course.

Pupils (Transport)

Mr. Flynn: To ask the Secretary of State for Education and Science if he will take steps to ensure that local education authorities' contracts for transport to school of pupils with special needs are subject to strict enforcement of adequate provisions, concerning overcrowding of vehicles, use of safety harnesses and adult escorts for young people.

Mr. Dunn: Contracts for the provision of school transport are a matter for local education authorities and the relevant transport contractors, not for my right hon. Friend.

Mr. Flynn: To ask the Secretary of State for Education and Science what financial allowances will be made available to children with visual impairments to assist their independent use of public transportation services.

Mr. Dunn: Section 55 of the Education Act 1944 lays down requirements on local education authorities for the provision of transport for school children. Any additional provision for children with visual handicaps will be matter for individual local education authorities.

Cultural Convention

Sir Geoffrey Finsberg: To ask the Secretary of State for Education and Science what steps he has taken to assist in the co-operation of the various institutions concerned with education in Europe along the lines envisaged in the cultural convention.

Mr. Dunn: The aims of the cultural convention are realised through the work of the Council for Cultural Co-operation (CDCC), the steering committee, which has, since 1962, been responsible for drawing up and implementing the educational and cultural programmes of the Council of Europe. My Department participates actively in the educational work of the CDCC, generally by representation at formal sessions, and specifically by participation in its projects and activities.

The education programme includes (see table) a wide range of work designed primarily to realise ideals through practical co-operation. This includes disseminating new ideas, techniques and achievements among member states and increasing contacts at all levels between their education systems on issues of major, current concern.

European Education Ministers, who meet regularly under the auspices of the Council of Europe, recognise the need to rationalise the educational programmes of international organisations. The CDCC is to discuss this in June, taking account of the 1986 report of the Colombo Commission on European Co-operation beyond 1990. In response to this report, CDCC has been asked to collaborate with other organisations in developing from existing work up a coherent youth education and training action programme to promote in education a European dimension and a commitment to human rights and to the principles of pluralist democracy.

Table Education programme of the council for cultural co-operation (CDCC): 1988-89

i. European Dimension in Education
   —pupil mobility and exchanges
   —teacher bursaries programme
   —European Schools Day

ii. Teacher Training
   —selection, education and professional development of teachers
   —teacher appraisal

Table Education programme of the council for cultural co-operation (CDCC): 1988-89

iii. European University Co-operation

iv. European Research and Documentation

v. Innovation in School Curricula
—intercultural education
—European History
—Human Rights

vi. Adult Education and Social Change
—long term unemployment
—older citizens

vii. Language Learning and Training of Language Teachers

viii. Schools and Museums

Autistic Children

Mr. Dunnachie: To ask the Secretary of State for Education and Science what provisions are being made in the national curriculum to ensure that the special needs of autistic children will be adequately met.

Mr. Dunn: Clause 11 of the Education Reform Bill provides that, where a child in England or Wales has a statement of special educational need under the Education Act 1981, the statement may direct where parts of the national curriculum should be modified or, in exceptional cases, disapplied. This provision could be used to meet the particular needs of the autistic child.

GCSE Syllabuses

Mr. Straw: To ask the Secretary of State for Education and Science whether he will make a statement about the number of mode 2 and mode 3 GCSE syllabuses scrutinised by the Secondary Examinations Council which have failed to meet the appropriate standard and about those procedures for scrutiny.

Mr. Kenneth Baker: All GCSE syllabuses in use in schools have been approved for 1988 and 1989 examinations against the relevant GCSE national criteria.

The Secondary Examinations Council approved the mode 1 syllabuses in the 20 main subjects, accounting for over 90 per cent. of estimated entries for the 1988 examinations. The GCSE examining groups approved the remaining mode 1 syllabuses, and all mode 2 and 3 syllabuses. The mode 2 and 3 syllabuses are likely to account for less than 5 per cent. of entries. The GCSE examining groups comprise the independent school examination boards, which bore sole responsibility for approving O-level and CSE syllabuses.

For 1990 examinations, all syllabuses in the 20 main subjects, including mode 2 and 3, will need SEC approval. So far the SEC has approved, for 1990 examinations, 19 of about 450 mode 2 and 3 syllabuses in the 20 main subjects which have been brought to its attention. We estimate that about 95 per cent. of entries in that year will be for syllabuses approved by the SEC.

Education Reform

Dr. Thomas: To ask the Secretary of State for Education and Science what measures his Department is taking to ensure an adequate supply of teachers to implement the curriculum proposals of the Education Reform Bill.

Mrs. Rumbold: I refer the hon. Member to my reply to the hon. Member for Leeds, Central (Mr. Fatchett) on 11 January, at column *53*; and to my right hon. Friend's reply to my hon. Friend for Pembroke (Mr. Bennett) on 19 January at columns *629-30*.

TRADE AND INDUSTRY

Enterprise Initiative

Mr. Robert G. Hughes: To ask the Chancellor of the Duchy of Lancaster what has been the response to date to the enterprise initiative.

Mr. Atkins: From the launch of the enterprise initiative on 13 January up to 29 April over 70,000 inquiries have been received for the enterprise initiative booklet from firms and intermediaries. In addition, over 32,000 booklets containing more detailed information on the individual initiatives have been issued.

Fibrous Carbon Bonded Thermal Insulation

Mr. Steel: To ask the Chancellor of the Duchy of Lancaster (1) how many licences his Department issued for the export of equipment and technology for manufacture of fibrous carbon bonded thermal insulation to the Union of Soviet Socialist Republics prior to the introduction of controls in November 1986;

(2) what criteria were used in drawing up controls on the export of equipment and technology for the manufacture of fibrous carbon bonded thermal insulation.

Mr. Alan Clark: Before the introduction of controls on the export of such insulating material, export licences were not needed to any destination. The criteria used in drawing up the controls reflected our strategic concerns and were adopted by our COCOM partners in the controls agreed multilaterally.

Marine &c. Broadcasting (Offences) Act 1967

Mr. David Porter: To ask the Chancellor of the Duchy of Lancaster whether he has any plans to seek to repeal the Marine &c. Broadcasting (Offences) Act 1967; and if he will make a statement.

Mr. Butcher: We have international treaty obligations to maintain legislation to prevent broadcasting from beyond territorial waters. It is essential to prevent such broadcasting because of the widespread interference it can cause, Far from repealing the 1967 Act, we are considering strengthening its enforcement powers through amendments to be incorporated in the forthcoming Broadcasting Bill.

Baby Walkers

Mr. Dunnachie: To ask the Chancellor of the Duchy of Lancaster if, in view of recent accidents, he will make it mandatory for baby walker manufacturers to issue comprehensive instructions with their products.

Mr. Butcher: Research has shown that most baby walker accidents requiring hospital treatment involve a fall

down steps or stairs. For this reason the British Standard on baby walkers—BS 4648—which is currently being updated includes a requirement that all baby walkers should carry a permanent label stating "WARNING—Never leave your baby alone in this walker". In addition, the standard specifies that instructions concerning the correct and safe assembly and use of the walker should be provided. The instructions advise users to guard against open fires, stairs and steps and to ensure that floor areas are clear of any obstructions.

My Department will examine the draft revised standard to ensure that it provides an adequate level of safety and if so, it will be considered for approval for the purpose of the general safety requirement provision of the Consumer Protection Act 1987.

National Engineering Laboratory

Mr. Ingram: To ask the Chancellor of the Duchy of Lancaster if he has any plans to put the security services at the national engineering laboratory, East Kilbride, out to competitive tender; and if he will make a statement.

Mr. Butcher: The national engineering laboratory, East Kilbride, is currently investigating the available means of reducing the running costs of its security service. The survey includes a comparison with the likely costs of contracting out the service.

Furnishings (Foam Fillings)

Mr. Iain Mills: To ask the Chancellor of the Duchy of Lancaster whether there has been any progress on drafting a standard for foam filling of domestic upholstered furniture during consultation on his Department's draft Furniture and Furnishing (Fire) (Safety) Regulations; and if he will make a statement.

Mr. Butcher: Yes. During the consultation period on the draft regulations, agreement has emerged on a draft British Standard specification "The Flammability Behaviour of Single filling Components (Foams or Fibres) Used in Domestic Upholstered Furniture" (document 88/37988) issued by BSI on 12 April. A copy has been placed in the Library. This technical specification will be incorporated in the Furniture and Furnishings (Fire) (Safety) Regulations.

This specification has the agreement of my Department, and was drawn up by a BSI committee on which the fire prevention officers and enforcement officers, the foam manufacturers and the furniture manufacturers were represented. Although the consultation period on the draft Furniture and Furnishings (Fire) (Safety) Regulations does not end until 12 May, I believe that, in the interests of clarity and to allow the manufacturers to plan ahead, it is right to make this agreement public in advance of the end of the consultation period. I will be considering all other comments made on the draft regulations after 12 May and will make a further announcement as soon as possible after that date.

Government Research

Mr. Fearn: To ask the Chancellor of the Duchy of Lancaster what information he has on *(a)* Government spending on all scientific research as a proportion of gross domestic product, *(b)* Government spending on defence research as a proportion of gross domestic product, *(c)* Government spending on non-defence research as a proportion of gross domestic product, *(d)* industrial funding on scientific research as a proportion of gross domestic product, *(e)* total funding on scientific research as a proportion of gross domestic product, and *(f)* Government spending on advancement of knowledge as a proportion of gross domestic product, in (i) the United Kingdom, (ii) the United States of America, (iii) France, (iv) West Germany and (v) Italy in the period 1979 to 1987.

Mr. Alan Clark *[holding answer 9 May 1988]:* The available information is given in the tables.

Table 1—Government expenditure on R and D[1] as a percentage of the gross domestic product (gdp)

	United Kingdom	*United States of America*	*France*	*Federal Republic of Germany*	*Italy*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
All government spending					
1979	1·30	1·18	1·08	1·14	0·39
1980	1·37	1·14	1·12	1·15	0·46
1981	1·41	1·12	1·31	1·15	0·65
1982	1·34	1·16	1·32	1·21	0·64
1983	1·33	1·16	1·41	1·14	0·70
1984	1·34	1·19	1·46	1·11	0·76
1985	1·29	1·26	1·47	1·13	0·78
1986	[2]1·23	1·28	1·49	1·10	0·85
1987	[2]1·18	1·32	..	1·11	0·72
Government spending on defence R and D					
1979	0·67	0·58	0·38	0·13	0·01
1980	0·71	0·57	0·41	0·11	0·01
1981	0·69	0·61	0·50	0·10	0·04
1982	0·64	0·71	0·46	0·10	0·03
1983	0·66	0·74	0·45	0·11	0·04
1984	0·68	0·79	0·48	0·11	0·07
1985	0·67	0·85	0·45	0·14	0·08
1986	0·60	0·88	0·45	0·13	0·08
1987	0·60	0·91	..	0·14	0·06
Government spending on non-defence R and D					
1979	0·64	0·60	0·70	1·00	0·38

	United Kingdom	United States of America	France	Federal Republic of Germany	Italy
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1980	0·66	0·57	0·71	1·04	0·45
1981	0·72	0·51	0·81	1·05	0·61
1982	0·70	0·45	0·85	1·11	0·61
1983	0·67	0·41	0·95	1·03	0·66
1984	0·66	0·40	0·97	1·00	0·69
1985	0·62	0·41	1·01	1·00	0·70
1986	[2]0·62	0·39	1·03	0·96	0·77
1987	0·58	0·41	..	0·97	0·67
Government spending on advancement of knowledge (included in non-defence R and D)					
1979	0·33	0·05	0·25	0·49	0·12
1980	0·35	0·05	0·25	0·50	0·14
1981	0·29	0·04	0·22	0·49	0·18
1982	0·29	0·04	0·30	0·48	0·19
1983	0·29	0·04	0·37	0·50	0·17
1984	0·29	0·04	0·38	0·49	0·17
1985	0·23	0·05	0·38	0·49	0·19
1986	0·22	0·04	0·38	0·48	0·24
1987	0·22	0·05	..	0·49	0·28

.. Data not available
Source: OECD.
Note: See footnotes [1] and [2] of Table 2.

Table 2—Gross domestic expenditure on R and D[1] as a percentage of the gross domestic product (gdp).

	United Kingdom	United States of America	France	Federal Republic of Germany	Italy
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Total gross domestic exenditure on R and D					
1981	2·42	2·45	2·01	2·45	1·01
1983	2·27	2·62	2·15	2·54	1·12
1985	2·33	2·83	2·31	2·66	1·33
1986	2·44	2·89	2·38	..	1·47
Gross domestic expenditure funded by industry					
1981	1·00	1·19	0·82	1·42	0·51
1983	0·96	1·30	0·89	1·50	0·51
1985	1·07	1·37	0·96	1·62	0·59
1986	[2]1·21	1·39	..	..	0·60

.. Data not available.
Source: OECD.
[1] Separate figures are not available for scientific R and D.
[2] United Kingdom Atomic Energy Authority moved from the government sector to the industry sector in 1986. This affected all government spending and non-defence government spending, as a percentage of gdp in 1986 and 1987. It also affected gross domestic expenditure on R and D funded by industry as a percentage of gdp in 1986.

Provisional estimate of these percentages without this change of sector allocation are given below:

	1986	1987
All government spending	1·27	1·22
Government spending on non-defence R and D	0·65	0·62
Gross expdenditure on R and D funded by industry	1·14	—

WALES

Cardiff Bay Barrage Scheme

Mr. Ron Davies: To ask the Secretary of State for Wales (1), pursuant to his reply of 3 March, *Official Report*, column 662, whether initial feasibility studies on the Cardiff bay barrage scheme aided by the European regional development fund have been completed; and if the Government have now reached a view on the barrage proposal;

(2) whether initial feasibility studies on the Cardiff bay barrage scheme aided by the European regional development fund include a study of alternative barrage lines and their relative impact in terms of Government responsibilities with regard to article 4 of the directive 74/409 on the conservation of wild birds.

Mr. Peter Walker: The initial feasibility studies aided by the European regional development fund were completed by November 1986. The studies considered various barrage lines across the mouth of Cardiff harbour and the effect of such a barrage on over-wintering shorebirds. Further economic, technical and ecological studies have been undertaken and these are currently being considered before a Government view on the barrage is reached.

Rating Reform

Mr. Nicholas Bennett: To ask the Secretary of State for Wales if he will list the average rate paid by a domestic

ratepayer in each Welsh district in 1988-89, together with his estimate for the community charge which would be payable by each payee in 1988-89 had the proposed system been in operation.

Mr. Grist: Illustrative figures are given in the following table:

Community Charge and Average Rate Bill for each Welsh District 1988-89

	Total Community Charge £[1]	*Average Rate Bill per adult* £[2]
Alyn and Deeside	141	176
Colwyn	149	198
Delyn	150	176
Glyndwr	149	155
Rhuddlan	138	170
Wrexham Maelor	153	162
Carmarthen	151	123
Ceredigion	140	136
Dinefwr	136	110
Llanelli	160	137
Preseli Pembrokeshire	136	126
South Pembrokeshire	140	152
Blaenau Gwent	156	116
Islwyn	154	127
Monmouth	145	167
Newport	150	185
Torfaen	151	154
Aberconwy	137	173
Arfon	135	129
Dwyfor	136	160
Meirionnydd	140	158
Ynys Mon	130	154
Cynon Valley	155	108
Merthyr Tydfil	168	124
Ogwr	164	151
Rhondda	156	85
Rhymney Valley	171	139
Taff Ely	163	145
Brecknock	134	131
Montgomeryshire	117	128
Radnor	124	135
Cardiff	110	179
Vale of Glamorgan	121	166
Port Talbot	205	154
Lliw Valley	186	142
Neath	175	154
Swansea	199	192
Total WALES	150	150

[1] These figures are provisional and will be updated when better information is received from all local authorities. No allowance has been made for the transitional safety-net arrangements. The calculations are based on present needs assessments, which are under review.

[2] Average rate bills per adult are on a basis comparable with the community charge figures and exclude any use of balances.

Pre-school Playgroup Association

Mr. Barry Jones: To ask the Secretary of State for Wales how much cash he has allocated to Clwyd county council in each of the years since April 1979 for PPA. (Wales) in real terms; and if he will make a statement.

Mr. Grist *[holding answer 9 May 1988]:* None. Departmental funding to support the activities of PPA (Wales) at the all-Wales level is made direct, not through local authorities. Funds provided by the Department to Clwyd under the all-Wales mental handicap strategy may be used in approved schemes to fund appropriate activities of voluntary groups, including local PPA groups, but the decision to provide funds for approved schemes, and the level of funding provided, is a matter for the authority to determine.

Infertility Services

Mr. Barry Jones: To ask the Secretary of State for Wales what information he has as to current research undertaken into the needs of the infertile in Wales; what Government funded research is being undertaken into infertility services in Wales; and how much Government cash has been allocated in the past eight years to the health authorities of Wales for National Health Service services for the infertile in Wales.

Mr. Grist *[holding answer 9 May 1988]:* The needs of the infertile in Wales are similar to those of the infertile elsewhere, and relevant research is being undertaken in many places throughout the world. Within the United Kingdom, the Medical Research Council, which receives the greater part of its funds from the Exchequer, supports a number of projects concerned with fertility, pregnancy and foetal development.

The development of infertility services is kept under constant view by the Welsh Office in co-operation with the health authorities, and relevant professional and other interests. Generally, it is for individual health authorities to determine what proportion of the funds they have been allocated should be spent on services for the infertile. We have, however, allocated special funds to South Glamorgan health authority under the centrally funded developments programme for the development of in vitro fertilisation and embryo transfer services, totalling £29,916 in 1986-87, £48,741 in 1987-88 and £93,935 in 1988-89.

Labour Statistics

Mr. Barry Jones: To ask the Secretary of State for Wales if he will list the number of employees in full-time employment in Clwyd for each of the years June 1978 to June 1987; and how many of these were in manufacturing industry.

Mr. Peter Walker *[holding answer 9 May 1988]:* Data for Clwyd are available for 1978, 1981 and 1984 (census of employment data) only:

Clwyd
Employees in Employment—Full Time: (Thousands)

	Total	*Manufacturing*	
		1980 SIC (Division 2-4)	*1968 SIC (Orders 3-19)*
June 1978[1]	104	N/A	42
September 1981[1]	89	31	30
September 1981[2]	90	32	N/A
September 1984[2]	91	33	N/A

Source: Department of Employment, Censuses of Employment.
[1] Jobcentre based information.
[2] Ward based information.
N/A Not available.
Note: Jobcentre and ward-based aggregates are not strictly comparable. The former are based on an amalgamation of jobcentre areas which may not be conterminous with the county boundary and, unlike the ward based aggregates, they include no allowance for non-response and duplication in census returns.

Medical Secretaries

Mr. Robin Cook: To ask the Secretary of State for Wales if he will give for each district health authority *(a)* the number of funded establishments for qualified medical secretaries and *(b)* the number of medical secretaries in post.

Mr. Grist *[holding answer 9 May 1988]: (a)* This is not available centrally. *(b)* Information relating to the number of medical secretaries recognised as such by the National Health Service payroll system shows the following in post at 30 September 1987.

District Health Authority	*Staff*[1]
Clwyd	52·9
East Dyfed	48·8
Gwent	55·2
Gwynedd	53·4
Mid Glamorgan	32·4
Pembrokeshire	10·6
Powys	2·0
South Glamorgan	57·6
West Glamorgan	38·2

[1] Staff in post (whole-time equivalents).

Not all district authorities provide comprehensive and accurate occupation coding, and a number of staff in these pay grades are unallocated. The figures quoted should thus be treated with caution.

Mr. Robin Cook: To ask the Secretary of State for Wales if he will give for each district health authority the amount spent on medical secretaries contracted from agencies in the latest year for which figures are available.

Mr. Grist *[holding answer 9 May 1988]:* Medical secretaries' expenditure is not classified with health authorities' annual accounts. However, the agency costs incurred by Welsh health authorities for administrative and clerical — typing and secretarial skills, during 1986-87 are as follows:

	£ (thousands)
Clwyd	—
East Dyfed	—
Gwent	—
Gwynedd	—
Mid Glamorgan	—
Pembrokeshire	—
Powys	11·06
South Glamorgan	0·08
West Glamorgan	—
WHCSA	0·08
Wales	11·22

Source: Health Authorities' Annual Accounts.

ENERGY

Wave Power

Mr. Mullin: To ask the Secretary of State for Energy if he will review his policy into wave power following the evidence of Professor Stephen Salter to the House of Lords Sub-Committee on the European Communities.

Mr. Michael Spicer: My Department regularly reviews all the renewable technologies taking into account any new development or ideas which may alter previous assessments. All our recent reviews have indicated that research into large-scale offshore wave power would not be cost effective. Copies of the latest review, undertaken as part of a comprehensive appraisal of a wide range of energy technologies was published in 1987 as "Energy Paper 54". Copies are in the Libraries of the House.

FOREIGN AND COMMONWEALTH AFFAIRS

Chile

Mr. Foulkes: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has as to whether the conditions laid down by the Catholic Church and the 14 opposition parties in relation to the plebiscite have been met by the Government of Chile; and if he will make a statement.

Mr. Mellor: We have noted the increase in the number of registered voters in Chile and the access to television of the democratic opposition, and hope that both will continue.

Additionally, I refer the hon. Member to the reply of my hon. Friend the Parliamentary Under-Secretary of State to the hon. Member for Glasgow, Provan (Mr. Wray) of 22 April.

Mr. Foulkes: To ask the Secretary of State for Foreign and Commonwealth Affairs if his Department's advice has been sought concerning the possible sale by British Aerospace of Hawk military aircraft to the Government of Chile; and if he will make a statement.

Mr. Mellor: It has been the policy of successive British Governments not to disclose details of potential defence sales.

Human Rights, Democracy and Territorial Violations

Mr. Wray: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the representations regarding *(a)* human rights, *(b)* pluralistic democracy and *(c)* territorial violations which Her Majesty's Government have made to other Governments for each year since 1974.

Mr. Mellor: It is not practicable to list all representations made by Her Majesty's Government since 1974. However, in our dealings with other Governments, we regularly raise human rights and territorial violations and make clear our support for a pluralistic democracy as appropriate. Such representations, on human rights for example, are sometimes more productive if undertaken without publicity.

TRANSPORT

Rail Electrification

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Transport how many miles of railway track are electrified in each of the standard regions of the United Kingdom; and in each case what percentage that represents of the total length of track.

Mr. David Mitchell: The information requested is not available for standard United Kingdom regions, however the table sets out data for BR regions.

Region	Total track miles	Electrified track miles	Percentage
Eastern	5,386	1,164	22
London Midland	6,186	2,091	34
Scotland	2,718	666	25
Southern	3,044	2,473	81
Western	3,002	—	0
Total	20,336	6,394	31

Motorways (Resurfacing)

Mr. Pawsey: To ask the Secretary of State for Transport if he intends to ensure that future motorways are resurfaced in concrete rather than tarmacadam.

Mr. Peter Bottomley: In most cases both forms of construction are suitable. There will be exceptions where engineering needs will dictate a particular form of construction. In those cases where a choice between alternatives is to be made, this will continue to be done on the basis of competitive tendering.

Road Accidents

Mr. Thurnham: To ask the Secretary of State for Transport what action he proposes to take in the light of the published road accident figures for 1987.

Mr. Peter Bottomley: We are pleased that the provisional 1987 figures show pedestrians deaths at the lowest level ever recorded. The figure for road deaths overall is the lowest for 34 years.

Five thousand one hundred deaths are still too many. Our aim is to cut road casualties by a third by the end of the century. This will require unremitting effort and in particular measures to help the most vulnerable groups and to tackle the unacceptably high level of accidents in urban areas.

We shall be working closely with local authorities, with industry and commerce and with the many organisations with a special interest in tackling the problems of death and injury on the road. We welcome the high level of public interest and commitment, and in particular the increasing recognition that we shall have made a great step forward if we can cut out the road deaths associated with alcohol.

Member's Correspondence

Mr. Cummings: To ask the Secretary of State for Transport when he intends to respond to the hon. Member for Easington's letter concerning his interrogation by Israeli security staff at Heathrow airport on Friday 1 April.

Mr. Peter Bottomley: My noble Friend the Parliamentary Under-Secretary of State did so on Monday 9 May.

Institution of Professional Civil Servants

Ms. Quin: To ask the Secretary of State for Transport when he last met representatives of the Institution of Professional Civil Servants involved in transport industries; and what was the content of the discussions.

Mr. Peter Bottomley: My right hon. Friend has not yet met IPCS representatives.

Ammunition Lorries

Mr. Flynn: To ask the Secretary of State for Transport (1) when he was first informed of the fire on a lorry loaded with ammunition in the Newport, West constituency that took place on 30 January;

(2) if he will make representations to the United States Army on the safety implications of the recent fire on a lorry loaded with ammunition on 30 January and with regard to the substitution of civilian personnel for Ministry of Defence police as escorts for ammunition lorries at Caerwent in February and the conviction for drunken driving of a civilian driver who was about to collect an ammunition load on 30 March;

(3) if he is notified of collisions, accidents, fires and major breakdowns of lorries loaded with ammunition, by all armed forces stationed in the United Kingdom;

(4) what additional precautions have been introduced to strengthen Statutory Instrument No. 888, Conveyance by Road of Military Explosives Regulations 1977, to protect vehicles from the threat of sabotage or theft by terrorists.

Mr. Peter Bottomley: Incidents such as the one on 30 January involving the transport of military ammunition do not have to be reported to my right hon. Friend the Secretary of State for Transport. They are covered by instructions issued by my right hon. Friend the Secretary of State for Defence. I refer the hon. Member to the reply given by my hon. Friend the Parliamentary Under-Secretary of State on 25 April, at column 75.

Regulation 888 will be revoked by the new regulations referred to in my reply of 18 April, at column 369. This will not affect departmental responsibility for the movement of military ammunition.

SOCIAL SERVICES

Benefits

10. **Mr. Dykes:** To ask the Secretary of State for Social Services if he has had any discussions with interested parties on possible modifications to the new benefits system introduced under the Social Security Act 1986; and if he will make a statement.

Mr. Scott: The new benefits system is simpler, fairer and better targeted than the old, and no major modification is called for. To ease the transition, however, my right hon. Friend has announced a package of measures to prevent large cash losses to pensioners, disabled people, widows and families with children at the point of change and to provide some minor easements where the rules seemed to be working unduly harshly.

Independent Living Fund

16. **Mr. Callaghan:** To ask the Secretary of State for Social Services what costs of disability will be covered by payments from the Independent Living Fund; and if claimants will be routinely referred to the social fund.

Mr. Scott: The Independent Living Fund is primarily intended to help severely disabled people on low incomes with the cost of employing personal care or domestic assistance. The eligibility criteria which were published on 31 March also empower the trustees to take into account a number of factors, including other care needs, in

determining the level of payments to individuals. I expect the trustees will wish to inform applicants of their possible entitlement to other forms of help where appropriate. However the social fund cannot make payments for domestic assistance and respite care.

Mr. Morgan: To ask the Secretary of State for Social Services when he expects the first payment to be made from the Independent Living Fund; and what arrangements for interim payments he has made.

Mr. Scott: I refer the hon. Member to my reply to the hon. Members for Kirkcaldy (Dr. Moonie) and for Barnsley, West (Mr. Patchett) earlier today.

Nurses

18. **Mr. Vaz:** To ask the Secretary of State for Social Services if he will make a statement on recruitment levels at schools of nursing.

Mrs. Currie: According to information produced by the English National Board for Nursing, Midwivery and Health Visiting in the year 1986-87, a total of 22,825 people entered basic nurse training. At 31 March 1987, there were 61,009 learners undertaking basic nurse training in England.

33. **Mr. Rees:** To ask the Secretary of State for Social Services if he will make a statement on recruitment levels at schools of nursing.

Mrs. Currie: I refer the right hon. Member to my reply to the hon. Member for Liverpool, West Derby (Mr. Wareing) earlier today.

43. **Ms. Abbott:** To ask the Secretary of State for Social Services how he intends to monitor the implementation of the new clinical grading structure for nurses.

53. **Mr. Eastham:** To ask the Secretary of State for Social Services how he intends to monitor the implementation of the new clinical grading structure for nurses.

Mr. Campbell-Savours: To ask the Secretary of State for Social Services how he intends to monitor the implementation of the new clinical grading structure for nurses.

Mr. Simon Hughes: To ask the Secretary of State for Social Services how he intends to monitor the effects of the regrading of clinical nurses.

Mr. Newton: I refer the hon. Members to my reply to the hon. Member for Wrexham (Dr. Marek) earlier today.

45. **Mr. Evennett:** To ask the Secretary of State for Social Services what representations he has received concerning the training of nurses.

Mr. Newton: We have received a number of letters from hon. and right hon. Members, and members of the general public, on a variety of issues relating to nurse training. In addition, the chairman of the United Kingdom Central Council for Nursing, Midwifery and Health Visiting wrote on 19 April expressing the council's desire for an early response to its Project 2000 proposals for reform of nurse education and training. We hope to be able to make a response to these proposals shortly.

Free School Meals

21. **Mr. Nellist:** To ask the Secretary of State for Social Services what is his estimate of the probable impact of changes in the entitlement to free school meals following the enactment of recent social security legislation in the city of Coventry; and if he will make a statement.

Mr. Portillo: In October 1987, the latest date for which information is available, 15,002 children in the Coventry local education authority area were authorised to receive free school meals. Of these, 83 per cent. came from families in receipt of supplementary benefit. Children from families now in receipt of income support continue to be entitled to free school meals. Many of the other children who previously received free school meals may be from families eligible for family credit, which includes extra cash compensation in place of entitlement to free school meals.

Income Support

22. **Mr. Speller:** To ask the Secretary of State for Social Services how many complaints his offices in north Devon have received regarding anomalies in the new support systems for the elderly, infirm or unemployed.

Mr. Portillo: Whilst local offices do not keep records of this kind, we believe that the transitional protection for income support claimants, and the extra protection for many housing benefit claimants announced by my right hon. Friend on 27 April, will remove many of the difficulties for claimants at the time of change in the benefit system.

Mr. Allen: To ask the Secretary of State for Social Services, further to his answer of 12 April, *Official Report*, column *122*, on what basis it is possible to provide information on disabled claimants who will receive a lower entitlement under income support than they received prior to 11 April.

Mr. Scott: Information on all client groups, including the disabled, will be based on statistics provided by the annual statistical inquiry. This provides information by DHSS region.

Mr. Allen: To ask the Secretary of State for Social Services, further to his reply of 12 April, *Official Report*, column *122*, how the reformed income-related benefits for the disabled will be monitored.

Mr. Scott: I refer the hon. Member to my reply to the hon. Member for Derby, South (Mrs. Beckett) on 22 April at column *602*. Information will also be derived from the OPCS survey of disabled people.

Housing Benefit

23. **Mr. Loyden:** To ask the Secretary of State for Social Services what changes he expects there to be in the level of housing benefits in the next financial year.

24. **Mr. Michael:** To ask the Secretary of State for Social Services what changes he expects there to be in the level of housing benefits in the next financial year.

26. **Mr. Hardy:** To ask the Secretary of State for Social Services what changes he expects there to be in the level of housing benefits in the next financial year.

31. **Mr. Maxton:** To ask the Secretary of State for Social Services what changes he expects there to be in the level of housing benefits in the next financial year.

Mr. Portillo: The level of housing benefits is influenced by a large number of factors including changes in housing costs and household income. Decisions on the uprating of benefits will be announced in the autumn in the normal way.

27. **Mr. Buckley:** To ask the Secretary of State for Social Services what plans he has to alter the threshold and taper in respect of the payment of housing benefits.

30. **Mr. Harry Barnes:** To ask the Secretary of State for Social Services what plans he has to alter the threshold and taper in respect of the payment of housing benefits.

46. **Mr. Martlew:** To ask the Secretary of State for Social Services what plans he has to alter the threshold and taper in respect of the payment of housing benefits.

55. **Mr. Dunnachie:** To ask the Secretary of State for Social Services what plans he has to alter the threshold and taper in respect of the payment of housing benefits.

Mr. Darling: To ask the Secretary of State for Social Services what representations he has received following the change in housing benefit regulations; and if he is considering further changes.

Mr. Portillo: I refer the hon. Members to the statement made by my right hon. Friend the Secretary of State for Social Services during the debate in the House on 27 April at columns 351-61.

28. **Mr. Bidwell:** To ask the Secretary of State for Social Services if he will revise his estimate of the number of losers as a result of the housing benefit changes.

37. **Mr. Sedgemore:** To ask the Secretary of State for Social Services if he will revise his estimate of the number of losers as a result of the housing benefit changes.

48. **Mr. Litherland:** To ask the Secretary of State for Social Services if he will revise his estimate of the number of losers as a result of the housing benefit changes.

50. **Mr. Anderson:** To ask the Secretary of State for Social Services if he will revise his estimate of the number of losers as a result of the housing benefit changes.

Mr. Scott: The changes announced by my right hon. Friend on 27 April were directed primarily towards reducing the significant cash losses experienced by a comparatively small number of claimants at the point of change. They will have had only a marginal effect on the overall balance between gainers and losers as a result of the social security reforms.

32. **Mrs. Golding:** To ask the Secretary of State for Social Services what plans he has to carry out a further review of the impact of the changes in housing benefit payments.

34. **Mr. Gareth Wardell:** To ask the Secretary of State for Social Services what plans he has to carry out a further review of the impact of the changes in housing benefit payments.

42. **Mrs. Mahon:** To ask the Secretary of State for Social Services what plans he has to carry out a further review of the impact of the changes in housing benefit payments.

Mr. Tony Banks: To ask the Secretary of State for Social Services what plans he has to carry out a further review of the impact of the changes in housing benefit payments.

Mr. Portillo: We shall continue to monitor the introduction of the reformed housing benefit scheme with care.

Mr. Hinchliffe: To ask the Secretary of State for Social Services how many local authorities require the national insurance number of claimants for housing benefit; for what purpose; and if he will make a statement.

Mr. Portillo: We aim in the next few years to use national insurance numbers (NINOs) to provide a standard base for data on all social security benefits administered through DHSS offices. In principle we would envisage housing benefit data being collected on the same basis in the future. We have advised local authorities of this, but have indicated that NINOs are items of personal data requiring careful consideration to ensure their use by authorities is for housing benefit purposes only. We shall be discussing detailed arrangements with the local authority associations. Authorities have been advised, however, that until discussions are concluded they may wish to invite claimants to supply their NINOs if known, but that they should not require claimants to do so.

Social Fund

25. **Mr. Boswell:** To ask the Secretary of State for Social Services if he will make a statement on the first month's full operation of the social fund.

Mr. Scott: I refer my hon. Friend to my reply to the hon. Member for Derby, South (Mrs. Beckett) on 6 May at column *656*.

29. **Mr. Madden:** To ask the Secretary of State for Social Services how many people in Bradford have been refused social fund loans since 11 April to date.

44. **Rev. Martin Smyth:** To ask the Secretary of State for Social Services how much in total has been disbursed in community care grants since the new system of social security payments came into operation; what proportion of the total funds available for community care grants this represents; and if he will make a statement.

Mr. Portillo: I refer the hon. Members to my reply to the hon. Member for Derby, South (Mrs. Beckett) on 6 May 1988 at column *656*.

Rating Reform

35. **Mr. Andrew Bowden:** To ask the Secretary of State for Social Services what plans he has to reassess the £1·30 weekly contribution towards 20 per cent. average domestic rates included in income support levels.

Mr. Scott: Income support levels will be adjusted from April next year to reflect the average 20 per cent. contribution to the community charge. The precise amounts to be included will be announced at the time of the general uprating statement in the autumn.

Mobility Allowance

36. **Mr. Hannam:** To ask the Secretary of State for Social Services if he has any plans to extend the mobility allowance to existing recipients reaching the age of 75 years.

Mr. Scott: The age 75 limit will not affect any existing recipients of mobility allowance until November 1989. We shall consider, nearer that time, whether it should be extended.

Hospital Waiting Lists

38. **Mr. O'Brien:** To ask the Secretary of State for Social Services what advice he has given to the Wakefield district health authority over the cancelling of operations because of a shortage of nurses; and if he will make a statement.

Mr. Newton: No advice on staffing matters has been given specifically to Wakefield health authority, but health authorities generally have been asked to undertake a variety of measures to improve recruitment and retention of nursing staff.

Health Workers' Unions

39. **Mr. Wray:** To ask the Secretary of State for Social Services when he last met the representatives of the health workers' unions; and what subjects were discussed.

Mr. Newton: The pay and conditions of service of NHS employees are the subject of negotiation between the management and staff sides of Whitley councils. My right hon. Friend and I have met representatives of a number of individual staff groups and have also held meetings with the health services committee of the TUC. The most recent of these was on 2 February when the subjects discussed included NHS resources, pay and staffing levels, and the Government's internal review of the Service.

NHS (Lotteries)

40. **Mr. Fearn:** To ask the Secretary of State for Social Services if he will make a statement on his policy towards the use of lotteries to raise funds for the National Health Service.

Mr. Newton: We have always welcomed the additional support for health services provided by a wide range of charitable and other organisations through their various fund-raising activities, including lotteries.

Bronchitis and Emphysema

41. **Mr. Pike:** To ask the Secretary of State for Social Services what recent representations he has received regarding the classification of bronchitis and emphysema as industrial diseases.

Mr. Scott: We have received a report from the industrial injuries advisory council on its investigation into bronchitis and emphysema. We have also received letters from several right hon. and hon. Members.

Mental Hospitals (Closures)

47. **Mr. Atkinson:** To ask the Secretary of State for Social Services if he will make a statement on the current progress of closure of mental hospitals as part of his policy for community care.

Mrs. Currie: The Government's policy for the care of mentally ill people is based on a shift to district-based services where in-patient care is complemented by care in the community. The aim is to enable mentally ill people to be provided with whatever services they need with the minimum of formality or delay, without losing touch with their normal lives. The reduction in size of some of the old, badly sited mental illness hospitals and the closure of others is a consequence of achieving that aim and not a precursor, and is preceded by the development of psychiatric services in each district which, at present, may lack them.

Details of closure plans were given in my reply to my hon. Friend the Member for Eddisbury (Mr. Goodlad) on 13 April at columns *172-74*.

St. James's Hospital, Balham

49. **Mr. Cox:** To ask the Secretary of State for Social Services what plans now exist for the future use of St. James's hospital, Balham, SW12; and if the will make a statement.

Mrs. Currie: We are still considering the proposal to close out-patient services at St. James's hospital, Balham. Until we reach a decision no plans can be developed for the future use of the hospital or its site.

Hospitals (Birmingham)

51. **Mr. John M. Taylor:** To ask the Secretary of State for Social Services if he will estimate the consequences for the work of Birmingham hospitals of the entry into fully effective operation of the planned new district general hospital in Solihull.

Mrs. Currie: The development of Solihull district general hospital and other peripheral hospitals is part of the west midlands long-term strategy for increasing the provision of health services on the growing population centres surrounding Birmingham. For detailed information on this strategy my hon. Friend may care to write to the chairman of the West Midlands regional health authority.

Child Benefit

52. **Mr. Heathcoat-Amory:** To ask the Secretary of State for Social Services what is the estimated cost of child benefit paid to income taxpayers.

Mr. Scott: It is estimated that the cost of child benefit paid to tax-paying families in 1988-89 is likely to be around £3·6 billion.

Domestic Help Additions

54. **Mr. Blunkett:** To ask the Secretary of State for Social Services if domestic help additions will continue to be available to suitable claimants making fresh claims after 11 April.

Mr. Scott: Domestic help additions were a feature of the supplementary benefit scheme which, on 11 April was replaced by income support. The new scheme assists people with costs associated with long-term sickness or disability through a system of flat rate premiums. Additionally, we are setting up the Independent Living Fund which will make payments to severely disabled people on low incomes who need to employ help so that they can live independently.

NHS Performance Indicators

56. **Mr. Jack:** To ask the Secretary of State for Social Services what representations he has received from the chairmen of the regional health authorities following the publication of the 1986-87 National Health Service performance indicators.

Mr. Newton: None.

Form AG1

57. **Mr. Tim Smith:** To ask the Secretary of State for Social Services who designed form AG1, issued by his Department.

Mr. Portillo: Form AG1 was produced by professional writers and design staff in the Department. It follows the new house-style which is being introduced for all claim forms and leaflets and other material.

Cost Improvement Programme (Rotherham)

58. **Mr. Barron:** To ask the Secretary of State for Social Services if he has had any interim report on the Rotherham district health authority's 1988-89 cost improvement programme; and if he will make a statement.

Mr. Newton: The Trent regional health authority's short-term programme for 1988-89 identified planned recurrent cost improvement savings of £0·38 million in Rotherham health authority.

District Health Authorities (Asset Sales)

59. **Mr. Cran:** To ask the Secretary of State for Social Services what action he proposes to take to encourage the sale of unwanted assets by district health authorities, in the light of the report published by the Comptroller and Auditor General, "Estate Management in the National Health Service."

Mrs. Currie: Health authorities in England are fully aware of the need and advantages of disposing of all land and property which is surplus to NHS requirements and are actively encouraged to dispose of surplus property with all despatch. Proceeds from sales of surplus properties in England have increased over the last 10 years from £7·5 million in 1978-79 to about £200 million in 1987-88. In this period over 7,000 acres have been disposed of and a further 6,000 are currently awaiting disposal. Some regional health authorities are now raising over £20 million per year from disposals—and, since all proceeds are retained by the NHS for reinvestment in the Service, they are effectively adding 20 per cent. to their capital expenditure programmes.

Cook-Chill System (Wakefield)

60. **Mr. Hinchliffe:** To ask the Secretary of State for Social Services what is the latest estimate of the cost of implementing the cook-chill system of catering in the Wakefield district health authority.

Mrs. Currie: Responsibility for implementing cook-chill in Wakefield is a matter for the district health authority. The hon. Member may therefore wish to contact the chairman of Wakefield health authority for the information he is seeking.

Nurses' Pay

61. **Mr. Chapman:** To ask the Secretary of State for Social Services what representations he has received about the increase in nurses' pay in 1988-89, with particular reference to those in the London area.

Mr. Newton: My right hon. Friend met representatives of the nursing professions at the time of the announcement by my right hon. Friend the Prime Minister of the Government's decision on the pay review body's recommendations. These recommendations included the introduction of London pay supplements. The representatives expressed their satisfaction that the Government have decided to implement the recommendations in full and to make available additional resources to cover the full estimated cost.

AIDS

62. **Mr. Strang:** To ask the Secretary of State for Social Services what representations he has received about the establishment of needle exchange schemes to reduce the rate of spread of the AIDS virus among injecting drug misusers.

Mr. Newton: This subject is addressed, among others, in the report from the advisory council on the misuse of drugs to which the Government responded on 29 March at columns *452-54*. In addition, we have received eight letters about needle exchange schemes since the start of 1988.

Single Payments

63. **Mr. Kennedy:** To ask the Secretary of State for Social Services if he will give the number of claims for single payments outstanding at his Department's offices in Scotland on 11 April, broken down by region; and if he will make a statement.

Mr. Portillo: The boundaries of the Department's local office areas and the Scottish regions are not conterminous. The numbers of claims for single payments outstanding at close of business on 8 April 1988 in each of the Department's offices in Scotland which handles supplementary benefit claims are as follows. (The figures are provisional and subject to revision).

	Claims
Aberdeen North	386
Aberdeen South	1,816
Airdrie	3,571
Arbroath	278
Ayr	4,937
Bellshill	3,103
Bathgate	809
Campbeltown	4
Clydebank	2,337
Coatbridge	2,517
Cowdenbeath	943
Cumbernauld	2,803
Dumbarton	1,807
Dumfries	471
Dundee East	1,059
Dundee West	624
Dunfermline	1,599
East Kilbride	145
Edinburgh City	2,141
Edinburgh East	2,942
Edinburgh North	311

	Claims
Edinburgh South	695
Edinburgh West	318
Elgin	314
Falkirk	3,268
Fort William	117
Galashiels	68
Glasgow Anniesland	4,250
Glasgow Bridgeton	575
Glasgow City	3,400
Glasgow Craigton	5,335
Glasgow Cranstonhill	56
Glasgow Laurieston	959
Glasgow Maryhill	4,302
Glasgow Parkhead	829
Glasgow Partick	666
Glasgow Provan	1,400
Glasgow Rutherglen	495
Glasgow Southside	1,064
Glasgow Springburn	6,358
Greenock	599
Hamilton	1,100
Inverness	1,105
Irvine	3,467
Johnstone	95
Kilmarnock	859
Kirkcaldy	434
Lerwick	3
Leven	352
Motherwell	3,841
Oban	12
Paisley	416
Perth	1,958
Peterhead	513
Port Glasgow	2,875
Stirling	808
Stornoway	130
Stranraer	168
Wick	130
TOTAL	87,937

Those offices having the largest numbers of single payment claims outstanding are generally in areas where take-up campaigns have been organised by local and regional councils. In response, central management in Scotland has deployed teams of experienced officers in those offices which have been most heavily affected. Claims have been sifted in order to identify those which are most urgent and these have been given priority. In addition consideration is being given to the possibility of additional overtime working to clear the backlog. At the current rate of progress it is hoped that the bulk of the outstanding claims will have been cleared by the end of June.

Maternity Services

64. **Mr. Michael McNair-Wilson:** To ask the Secretary of State for Social Services what discussions he has had with the professional bodies representing anaesthetists and obstetricians about providing flying squad emergency services for small, outlying obstetric units.

Mrs. Currie: I refer my hon. Friend to my reply to him on 8 March 1988 at columns *168-69*.

Pensioners (Benefits)

65. **Mr. Roy Hughes:** To ask the Secretary of State for Social Services what recent discussions he has had with pensioners' organisations concerning the changes in the social security benefit system; and if he will make a statement.

Mr. Scott: The social security benefit reforms were among the matters discussed when I accompanied my right hon. Friend the Prime Minister when she met a delegation from the national pensioners' convention on 10 March. The reforms were also discussed when I met a delegation from the National Federation of Retirement Pensions Associations (Pensioners' Voice) on 9 May.

Aerosols

66. **Mr. Allan Roberts:** To ask the Secretary of State for Social Services if there are any plans to ban the use of aerosols in his Department's buildings; and if he will make a statement.

Mrs. Currie: Whilst we have no plans to place a ban on the use of aerosols in the Department's buildings, we support action which is in hand internationally to limit the use of chlorofluorocarbon propellants and to adopt the most suitable alternatives. In the meantime, the Department will continue to observe hazard warnings on, for example, flammable products and to use appropriate chemical products safely and cost effectively.

Departmental Expenditure

Mrs. Peacock: To ask the Secretary of State for Social Services how much his Department allocated to or spent in 1985, 1986 and 1987 in the North West health region, the Northern health region and the Yorkshire health region, respectively.

Mr. Newton: Following is expenditure information for the Northern, Yorkshire and North Western health regions:

Total expenditure on hospital and community health services[1]

	1984-85 £ million	*1985-86* £ million	*1986-87* £ million
Northern region	634·7	669·6	717·4
Yorkshire region	709·2	772·3	818·1
North Western region	899·3	943·5	988·0

[1] Includes revenue and capital expenditure on hospital, community health, ambulance, blood transfusion and other services.

Source:

Annual accounts of the regional health authority and district health authorities comprising each region.

Notes:

1. Expenditure on family practitioner services is excluded: such expenditure is accounted for by family practitioner committees (FPCs) and cannot strictly be attributed to particular regions. However, prior to 1 April 1985 many of the district health authorities within each region had an associated FPC and those authorities' total expenditure figures for 1984-85 include elements relating to FPCs' administrative expenses which are not separately identifiable.
2. Expenditure by the special health authorities and other bodies providing central services to the National Health Service and expenditure met centrally by the Department is also excluded.

OPCS (Library)

Mr. Battle: To ask the Secretary of State for Social Services why the Office of Population Censuses and Surveys library has been closed to the public; if alternative sources of like information are available to the public; and if he will make a statement.

Mrs. Currie: The Office of Population Censuses and Surveys' library was closed to the public in January 1988

because of unexpected staff losses. These losses occurred just as a management review of all library services was scheduled to begin and it was considered unwise to replace the staff until this review was finished. The review has now reported, with several recommendations to improve the cost-effectiveness of the library service. However it also found that continued closure of the library would deprive the public of an extensive and valued source of information and would achieve savings only at the cost of generating additional work elsewhere in OPCS. Accordingly the library will re-open to the public on 1 June 1988, although an appointments system will be introduced and there will be limits on the number of appointments each day. A press notice giving details of the new arrangements will be issued shortly.

Departmental Television Advertising

Mr. Boateng: To ask the Secretary of State for Social Services if he will give the total annual expenditure by his Department on television advertising campaigns, approved for broadcast by the IBA for each year since 1979 to the current financial year.

Mr. Portillo: The total annual expenditure by the Department on television advertising for each year since 1979 to the current financial year was:

	£
1979-80	169,000
1980-81	180,000
1981-82	294,000
1982-83	774,000
1983-84	976,000
1984-85	Nil
1985-86	832,000
[1]1986-87	2,345,000
[1]1987-88	7,968,000

[1] The increased expenditure in 1986-87 and 1987-88 is largely accounted for by the Aids television campaign.

All advertisements were approved for broadcast by the independent broadcasting authorities.

Income Support (Disabled Pensioners)

Mr. Frank Field: To ask the Secretary of State for Social Services what criteria were used to determine the different rates of income support for a pensioner disabled before the age of 60 and a pensioner disabled after the age of 60.

Mr. Scott: A person disabled before the age of 60 gets the disability premium of £13·05 (single) or £18·60 (couple) if he or his partner is blind, has an invalid carriage, is receiving a long-term incapacity or disablement benefit, or has been incapable of work for 28 weeks.

A person disabled after the age of 60 may qualify for the higher pensioner premium. This is paid at the same rate and on the same terms as the disability premium except that the 28-week rule of incapacity for work does not apply to people aged 60 or more. A person who qualifies for the disability premium immediately before reaching the age of 60 will get the higher pensioner premium on reaching that age. The difference in the qualifying conditions reflects the fact that some degree of disability is likely to occur as people get older. This is catered for in the pension premiums of £10·65 (single) and £16·25 (couple).

The severe disability premium is payable to people under and over the age of 60 on exactly the same conditions.

The details of this premium structure will be looked at in the light of the OPCS survey on disabilities.

Green Giros (Encashment)

Mr. Barry Field: To ask the Secretary of State for Social Services what information is provided to claimants about the criteria for encashment of green giros at Crown post offices.

Mr. Portillo: Guidance on the encashment of green giros is given on the reverse of the giro and on posters displayed in Post Offices. The Post Office clerk must be satisfied in each case that the conditions for payment have been met.

Social Security Reform

Mr. Wigley: To ask the Secretary of State for Social Services how many representations he has received on the workings of the new social security legislation which came fully into force in April.

Mr. Scott: Many.

Clinical Judgments (Complaints)

Mr. Michael McNair-Wilson: To ask the Secretary of State for Social Services what consideration he has given to introducing legislation to grant a discretion to the Health Service Commissioner to investigate complaints involving clinical judgment, if he thinks fit; what is his latest assessment of the factors which *(a)* favour and *(b)* do not favour such a proposal; and if he will make a statement.

Mrs. Currie: This issue was thoroughly aired in the House during the passage of the Parliamentary and Health Commissioners Act 1987. The Government concluded at that time that the procedures introduced in 1981, (with the commendation of the Select Committee on the Parliamentary Commissioner for Administration) were working reasonably well and did not seek to extend the Health Service Commissioner's power in this respect. No new factors have emerged since that decision was taken.

Supplementary Benefit Claimants (Nottingham)

Mr. Allen: To ask the Secretary of State for Social Services, further to his reply of 12 April, *Official Report*, columns *115-6*, if he will supply numbers for each major client group in the statistics for those claiming supplementary benefit in 1979 and in 1987 for the David Lane and Shakespeare street offices of his Department.

Mr. Portillo: The information requested is as follows:

Office	Supplementary benefits claimants under pension age		Supplementary benefits claimants over pension age	Total
	Required to register for employment	Not required to register for employment		
Date of Count: 27 November 1979				
David Lane	1,530	1,981	3,163	6,674
Shakespeare Street	1,906	2,310	4,988	9,204
Date of Count: 17 November 1987				
David Lane	5,228	3,955	3,360	12,543
Shakespeare Street	5,265	5,009	5,146	15,420

Source: 100 per cent. count of cases in action.

Doctors (Contracts)

Mr. Allen: To ask the Secretary of State for Social Services if he will make it his policy to examine honorary contracts for doctors in the course of the National Health Service review.

Mr. Moore: Our review is wide-ranging and we have received many proposals for reform. We shall consider these carefully before reaching conclusions.

Mr. Allen: To ask the Secretary of State for Social Services how many doctors have applied to have their contracts varied from whole-time to less than whole-time in recent years.

Mr. Newton: I regret that this information is not collected centrally.

NHS Pay

Mr. Porter: To ask the Secretary of State for Social Services if he will make a further statement on the progress towards a settlement of the current pay round for theatre operating staff and all other outstanding groups within the National Health Service.

Mr. Newton: The recommendations of the pay review bodies, which have already been accepted by the Government, affect the pay of some operating theatre staff. The pay of other theatre staff, as well as that of the remaining non pay review body staff groups, is a matter for the Whitley councils.

Abortions

Mr. Campbell-Savours: To ask the Secretary of State for Social Services what has been the total number of abortions, under the terms of the Abortion Act 1967, in the West Cumbria district health authority area for each of the last seven years for which figures are available; how many of these abortions were performed on ground 4 where there is a substantial risk that if the child were born it would suffer from such physical or mental abnormalities as to be seriously handicapped; and how many of these abortions were performed on ground 5 to save the life of the pregnant woman.

Mr. Newton: The information requested is given in the table.

Notifications of abortions carried out under the Abortion Act 1967 to usual residents of West Cumbria health areas, by selected grounds—1980 to 1986

Area of usual residence	All grounds	Ground 4 (mentions)	Ground 5
West Cumbria Health District			
1980	217	—	—
1981	204	7	—
1982	242	3	—
West Cumbria District Heath Authority			
1983	222	6	—
1984	251	9	—
1985	224	6	—
1986	227	5	—

Complementary Medicine

Mr. Shersby: To ask the Secretary of State for Social Services what representations he has received seeking funding for the administrative costs of running research bodies engaged in stimulating research into complementary medicine; whether his Department intends to fund such expenses; and if he will make a statement.

Mrs. Currie: One such body, the Research Council for Complementary Medicine, has approached the Department for a contribution towards its administrative costs. My noble Friend and officials are currently in correspondence with them about their application.

Doctors (Medical Protection)

Mr. Michael McNair-Wilson: To ask the Secretary of State for Social Services whether the salary of junior and senior doctors includes an element for subscriptions to professional medical defence bodies; and whether membership of a medical protection body is obligatory.

Mr. Newton: Membership of a professional defence organisation is, other than in exceptional circumstances, a contractual requirement for hospital doctors. Their salaries are determined on the advice of the independent Review Body on Doctors' and Dentists' Remuneration. In its 1987 report, the review body took account of the cost of subscriptions in making its recommendations. This year, the review body has recommended, and the Government have accepted, that in most cases a proportion of these costs should be directly reimbursed to practitioners.

Radiation (Report)

Mr. Michael McNair-Wilson: To ask the Secretary of State for Social Services when he expects the report from

the committee on medical aspects of radiation in the environment looking into allegations of higher than normal incidences of leukaemia and lymphatic cancer among young children living near AWRE Aldermaston and AWRE Burghfield.

Mrs. Currie: The report is expected later this year.

Lewisham

Ms. Ruddock: To ask the Secretary of State for Social Services what were the staffing levels designated by his Department for each of the offices serving the London borough of Lewisham for the years 1987-88 and 1988-89, respectively; and how many staff were in post at 1 May in each of the offices.

Mr. Portillo: The information requested is as follows:

Office	*Complement 1987-88*	*Provisional Complement 1988-89*	*Staff in Post 1 May 1988*
Bromley ILO	131	115	121·5
Crystal Palace ILO	156	135	152·5
Eltham AO	34	25	30·5
Eltham NIO	29	27	29
Greenwich Park ILO	198	171	188·5
Hither Green AO	46	43	43
Lewisham ILO	200	167	205
Peckham ILO	167	148	165·5
Woolwich ILO	277	247	254·5

Notes:
ILO = Integrated Local Office.
AO = Area Office.
NIO = National Insurance Office.

The figures for 1988-89 are provisional as final staff complements for some local offices have not yet been allocated.

Invalid Care Allowance

Mr. Dunnachie: To ask the Secretary of State for Social Services in what circumstances invalid care allowance is deducted from other benefits a carer is eligible to receive.

Mr. Scott: Where a carer is entitled to invalid care allowance and, simultaneously, a personal income maintenance benefit, the maximum amount payable is the rate of the higher benefit. This applies where the carer is also entitled to any of the following benefits:—

sickness benefit
maternity allowance
unemployment benefit
invalidity benefit
severe disablement allowance
widow's benefit
retirement pension

Maternity Payments

Mr. Holt: To ask the Secretary of State for Social Services when the last review of criteria for maternity payments was undertaken; and if he will make a statement.

Mr. Portillo: These payments were included in the Government's reviews of social security in 1985. The current provisions were enacted in the Social Security Act 1986 and came into operation in April 1987.

Unemployment Benefits

Mr. Bowis: To ask the Secretary of State for Social Services when the Social Security Advisory Committee completed its review and reported on the additional condition for seasonal workers claiming unemployment benefit; and how he intends to respond.

Mr. Portillo: The committee's report has been received and the report and the Government's response are contained in a Command Paper presented to Parliament today — "The Additional Condition for Seasonal Workers Claiming Unemployment Benefit." C. 374.

SCOTLAND

National Health Service

67. **Mr. Galbraith:** To ask the Secretary of State for Scotland what consideration he has given in his review of the National Health Service to the functioning of the Health Service in Scotland.

Mr. Michael Forsyth: The Government's review of the National Health Service will take fully into account the circumstances of the Health Service in Scotland.

Rating Reform

Mr. Wilson: To ask the Secretary of State for Scotland (1) what will be the obligations of members of the armed forces who live away from home on military service, under poll tax regulations;

(2) what will be the obligations of merchant seamen who spend a majority of the year in foreign waters, under poll tax regulations.

Mr. Lang: All adults who are aged 18 or over and who have their sole or main residence in a local authority's area will be liable to pay the personal community charge. The question of whether a person is solely or mainly resident in the area of a local authority will be a matter of fact in relation to the particular circumstances of each case.

My right hon. and learned Friend is considering, in consultation with my right hon. Friend the Secretary of State for Defence, the detailed application of the community charge proposals to members of the armed forces.

Ski Areas

Mr. Galloway: To ask the Secretary of State for Scotland what proposals he has to improve uplift facilities within the Scottish ski areas; and if he will make a statment.

Mr. Lang: It is for the private sector to initiate proposals for new ski development in Scotland. The Government are willing to assist, through their development agencies, schemes that are financially viable and consistent with planning guidelines.

Gaelic Language

Mr. Macdonald: To ask the Secretary of State for Scotland what is his Department's policy on the role of television in the safeguarding and promotion of the Gaelic language.

Mr. Michael Forsyth: We recognise the contribution which the media in general, and television in particular,

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can make to the preservation of the Gaelic language. My right hon. and learned Friend the Secretary of State has no direct locus in this matter but we have encouraged the Gaelic community and its representative organisations to discuss its needs with the broadcasting authorities. It is, however, for the broadcasting authorities to assess the demand and to provide the appropriate services within available resources.

Nurses' Pay

Mr. Galbraith: To ask the Secretary of State for Scotland if he will list for each health board the increase in expenditure required for 1988-89 due to the nurses' pay award and the extra money being made available by his Department for this increase.

Mr. Michael Forsyth: The sum of £92 million is being made available in Scotland to finance the full additional costs of the review body pay recommendations. Boards will be informed of their additional allocations shortly.

Job Creation

Mrs. Fyfe: To ask the Secretary of State for Scotland what steps he is taking to improve employment prospects in Glasgow, Maryhill; and how many registered unemployed people there were there in March 1984 and March 1988.

Mr. Lang *[holding answer 3 May 1988]:* The Government can best improve the employment prospects of Glasgow, Maryhill, and of Scotland as a whole, by the creation of a healthy and vigorous economy. That is precisely what the Government are doing.

In March 1984 there were 7,443 unemployed claimants in the Glasgow, Maryhill parliamentary constituency. The corresponding figure in March 1988 was 7,300.

"The Scotsman"

Dr. Thomas: To ask the Secretary of State for Scotland if he will make a statement on what measures he or the Lord Advocate intend to take against *The Scotsman* newspaper for the publication of leaked documents on 22 April from the submarine base at Holy Loch.

Lord James Douglas-Hamilton *[holding answer 6 May 1988]:* Upon the basis of the information presently available neither my right hon. and learned Friend nor my noble and learned Friend intends to make any such statement.

AGRICULTURE, FISHERIES AND FOOD

Milk Quotas

Mr. Colvin: To ask the Minister of Agriculture, Fisheries and Food if, when the United Kingdom comes within milk quota, the co-responsibility levy on milk will be abolished.

Mr. Donald Thompson: It is for the Council of Ministers to decide on the continuation of the co-responsibility levy. As part of its price-fixing package the Commission has proposed that it should be continued. In view of the continuing high cost of the milk regime, I support this proposal.

Lupins

Mr. Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food (1) if he will make a statement setting out the financial and other incentives provided by the EEC for the growing of lupins; what is the purpose of such expenditure; and what is the current annual expenditure on this activity;

(2) what surplus now exists in the production of lupins in the EEC; and what is the current annual expenditure of disposing of such a surplus;

(3) what information he has on lupin production in the EEC; and if he will make a statement.

Mr. Donald Thompson: Aid is payable to animal feed compounders utilising Community-grown sweet lupins, which have a high protein content, provided a specified minimum price has been paid to the grower. There is no surplus, because the Community is a substantial net importer of protein products. The cost to the Community budget of aid to sweet lupins was about 0·5 MECU (or £350,000) in 1987, and an estimated 6,000 tonnes will be eligible for aid in 1987-88.

Farmers (Cumbria)

Mr. Martlew: To ask the Minister of Agriculture, Fisheries and Food how many applications for review he has received from farmers in Cumbria claiming to have suffered losses as a result of the Chernobyl disaster but who had not been compensated under the Government's scheme; if he will give the date range when these applications were made; if each such application was considered individually; on what date a decision was taken on them; how many of these applications he has rejected; and if he will make a statement on the general pattern of the defects in the applications which led to their rejection.

Mr. Donald Thompson *[holding answer 9 May 1988]:* When the Chernobyl sheep compensation scheme was first introduced, we and the farmers unions concluded that it would be cumbersome and slow to try to cost the effect of the restrictions on each individual enterprise. We decided instead to set qualifying criteria which were designed, in close consultation with the NFU, to target compensation on those who needed it in line with a formula which enabled rapid calculation. The element of rough justice that would be involved was accepted by the farmers unions as inevitable in the interests of getting money to affected producers as quickly as possible and on the basis of clear criteria for their claims.

In December 1986 the NFU claimed that a small minority of restricted producers had suffered losses that year which were not covered by the compensation arrangements which we had introduced. My Ministry had exhaustive discussions throughout 1987 with the NFU to examine the issues involved. However, those discussions failed to find a sound basis for avoiding the rough justice which had been anticipated.

On 5 January 1988 the Cumbria branch of the NFU wrote to the Ministry's Carlisle office reporting that it had completed a survey of the local producers affected by the restrictions, identifying some cases of alleged inadequate compensation. On 28 January the survey forms which the NFU had devised and sent to producers were supplied to us. These covered 66 farmers. Only nine have received no compensation at all: 57 have already received some

compensation (totalling at present over £80,000) under one or more of the four legs of the compensation arrangements we have introduced.

The cases identified by the Cumbria branch of the NFU represent some 4 per cent. of the 1,600 Cumbrian producers who fell under restriction. Their claim is that the Government should pay amounts which each producer has identified as arising in respect of his own holding totalling £177,000. Thus, they are seeking in effect individual assessments which would take account of what would have happened in a "normal" year. Since the scheme does not provide for individual assessment in this way, such payments cannot be made.

The question of defects in the information in the forms provided by the individual farmers does not arise since there is no basis against which to assess it. Careful examination of the new information in the forms has again failed to establish a sound basis for identifying farmers whose cases might justify further consideration or for making changes to the scheme. My right hon. Friend wrote to the president of the NFU explaining this on the 23 March 1988 and, at his request, the divisional office wrote to the Cumbria NFU in similar terms.

EMPLOYMENT

Health and Safety at Work

Mr. Hinchliffe: To ask the Secretary of State for Employment how many prosecutions were made under the Health and Safety at Work etc. Act 1974 as a result of investigations undertaken within West Yorkshire by the Health and Safety Executive for each year from 1980 to 1987.

Mr. Nicholls: The table shows the available information.

Number of prosecutions[1] in West Yorkshire[2]: Information laid by factory and agricultural inspectors and by inspectors from local authorities

Year	Number
1981	110
1982	81
1983	114
1984	120
1985	138
[3]1986-87	168

[1] Also includes cases taken under other associated regulations and Acts.
[2] County of West Yorkshire comprising Bradford, Calderdale, Kirkless, Leeds and Wakefield.
[3] Provisional data for the 12 month period April 1986 to March 1987.

Factory Inspectorate

Mr. Hinchliffe: To ask the Secretary of State for Employment how many factory inspectors were employed by the Health and Safety Executive in West Yorkshire for each year from 1980 to 1987.

Mr. Nicholls: Figures for West Yorkshire are not available. The number of factory inspectors in West and North Yorkshire is as follows:

April	Inspectors
1980	37
1981	35
1982	29
1983	31
1984	29
1985	35
1986	34
1987	31

Mr. Hinchliffe: To ask the Secretary of State for Employment how many visits were made by factory inspectors employed by the Health and Safety Executive in West Yorkshire for each year from 1980 to 1987.

Mr. Nicholls: The information is not available in the form requested. The Health and Safety Executive (HSE) cannot identify, without disproportionate cost, the number of visits made by factory inspectors in West Yorkshire exclusively. The table shows the total number of visits made by HSE's factory inspectors in West and North Yorkshire from 1985 to 1987:

Year (1 April-31 March)	Number of visits
1985-86	11,445
1986-87	13,261
1987-88	10,731

There is no information available on the total number of visits before 1985.

Mr. Hinchliffe: To ask the Secretary of State for Employment how many accidents and incidents were investigated by factory inspectors employed by the Health and Safety Executive in West Yorkshire for each year from 1980 to 1987.

Mr. Nicholls: The information is not available in the form requested. The Health and Safety Executive (HSE) cannot identify, without disproportionate cost, the number of accidents and incidents investigated by factory inspectors in West Yorkshire exclusively.

The table shows the total number of accidents and incidents investigated by HSE factory inspectors in West and North Yorkshire from 1980 to 1987.

Number of accidents and incidents investigated[1]

Year	Number
1980[2]	782
1981[2]	686
1982[2]	642
1983[2]	526
1984-85[3]	591
1985-86[4]	467
1986-87[4]	674
1987-88[4]	703

[1] Includes investigations of accidents, gas incidents, dangerous occurrences and diseases.
[2] Period 1 January to 31 December.
[3] Period 1 January 1984 to 31 March 1985.
[4] Period 1 April to 31 March.

Staff (Ethnic Origins)

Mr. Janner: To ask the Secretary of State for Employment how many men and how many women, respectively, who are of Afro-Caribbean and of Asian origin, respectively, are employed at senior levels in his Department.

Mr. Lee: In common with the rest of the Civil Service, the Department of Employment group has carried out

surveys of the ethnic origin of its staff. The surveys were undertaken on the basis of voluntary self-classification. Results for 1 April 1988 show that of a total of 3,654 staff at senior executive officer level and above, 3,246 (or 89 per cent.) responded. The table shows the number of those responding who classified themselves as Afro-Caribbean or Asian.

	Afro-Caribbean		*Asian*	
	Male	*Female*	*Male*	*Female*
Senior Executive Officer (or equivalent) and above	7	0	10	1

Staff (Monitoring)

Mr. Janner: To ask the Secretary of State for Employment whether he has instituted an ethnic and a sex monitoring exercise, respectively, in his Department, in compliance with the code of the Commission for Racial Equality and of the Equal Opportunities Commission, respectively; and if he will make a statement.

Mr. Lee: I fully accept the need for employers to monitor the sex and ethnic origin of both their work force and job applicants, and the Department of Employment group has taken a firm lead in this respect.

The Department has been monitoring the effectiveness of its equal opportunity policies for women since 1 July 1985. Monitoring covers all the areas of personnel practice which the Equal Opportunities Commission's code of practice suggests should be monitored.

In common with other departments, the Department of Employment group has carried out a programme of surveys to find out the ethnic origin of staff. This was completed early in 1987. With a database thus established, the Department has begun monitoring recruitment and access to training as well as the ethnic composition of its staff, and is now considering how to extend ethnic monitoring to other areas of personnel practice such as promotion.

Departmental Employment Practices

Mr. Janner: To ask the Secretary of State for Employment whether he has taken positive action to remedy past inequalities in employment practices in his Department, in compliance with the codes of the Commission for Racial Equality and of the Equal Opportunities Commission, respectively.

Mr. Lee: The Department has taken several initiatives to encourage women and ethnic minorities into grades and areas of work in which they have been, or are, under-represented. Examples are positive encouragement to ethnic minorities to apply for jobs at levels where it is the Department's responsibility to recruit; for women to attend "women-only" management training courses run by the Civil Service College and the Department itself; and to both women and ethnic minority staff to enter and develop a career in computing within the department.

Disabled People

Mr. Alfred Morris: To ask the Secretary of State for Employment what action he has taken concerning the Public Accounts Committee's findings in regard to the employment of people with disabilities, the distribution of employment rehabilitation centres and his Department's lack of reliable information on the numbers and locations of disabled people; and if he will make a statement.

Mr. Lee: The Government are considering the conclusions reached by the Public Accounts Committee. A response will be conveyed to the Public Accounts Committee in due course. The Government have announced already that the view expressed by the Public Accounts Committee will be among the matters taken into account in the internal review of services for people with disabilities set up by my right hon. Friend the Secretary of State earlier in the year.

Restart Scheme

Mr. McLeish: To ask the Secretary of State for Employment if all clients are informed about follow-up interviews at their first restart interview.

Mr. Lee: Based on a pilot exercise last year, follow-up interviews are now offered to clients where resources are available. The decision to inform clients is a matter for local management discretion.

Earnings

Mrs. Wise: To ask the Secretary of State for Employment (1) what are the latest figures for average male earnings expressed as *(a)* mean average, *(b)* median and *(c)* mode;

(2) what are the latest figures for average female earnings, expressed as *(a)* mean average, *(b)* median and *(c)* mode.

Mr. Lee: The latest date for which information is available is April 1987. Table 30 in part B of the report on the new earnings survey 1987 gives information on the gross weekly mean and median earnings of full-time adult male and female employees in Great Britain. Information on the distribution of weekly earnings from which the modal ranges can be determined, is published in table 29 of part B. A copy of the report is available in the Library.

THE ARTS

Natural History Museum

Mr. Fisher: To ask the Minister for the Arts (1) what were the costs of *(a)* staff, *(b)* equipment and maintenance, *(c)* temporary and other premises and accommodation, *(d)* training, *(e)* administration, *(f)* advertising and marketing, *(g)* value added tax and *(h)* other costs involved in introducing compulsory charges for admission to the Natural History museum in 1987-88;

(2) how many additional staff *(a)* were originally employed and *(b)* are in post now, at the Natural History museum to assist in administering admission charges.

Mr. Luce: The staffing and administration of the arrangements for the collection of admission charges at the British Museum (Natural History) are matters for the museum's trustees. I understand that the overall costs for 1987-88 were £158,000: 11 per cent. of the net income raised.

Arts Council Publications

Mr. Fisher: To ask the Minister for the Arts what information he has on the production cost of each Arts Council publication in the last five years, with reference to *(a)* staff time, *(b)* printing, *(c)* design and art work, *(d)* commissioned work and *(e)* other costs.

Mr. Luce: This information could be provided only at disproportionate cost.

Museums, Galleries and Libraries

Mr. Jessel: To ask the Minister for the Arts what steps have been taken to provide a basis for settling the grading and pay of the directors heading national and other major museums, galleries and libraries.

Mr. Luce: A review of these posts was undertaken by Mr. Gordon Burrett CB (retired civil servant), Professor Brian Morris (chairman of the Museums and Galleries Commission), and a senior Treasury staff inspector. I, and other sponsoring Ministers, are grateful to the review team for their report, copies of which I am placing in the Libraries of both Houses.

The grading and pay of director posts is related to the corresponding Civil Service grades. The review team were asked to recommend appropriate grade levels, taking account of these relationships. They concluded that although there were drawbacks in the present system of using Civil Service grade analogues, the balance of advantage still lay decisively with retaining it, though it should be reviewed again before long. The Government agree with this view.

The Government have carefully considered the review team's recommendations, and have accepted them where the majority of posts are concerned. In particular, in the middle range, however, it has been decided to substitute a broader-banded approach, not involving the creation of a special new grade between grades 3 and 4, for the relatively finer tuning proposed by the team. The table sets out the posts concerned, the present gradings, those proposed by the review team and those which have now been approved by the Government and will be introduced with effect from 1 April 1988.

The review team also recommended that a system of merit awards should be introduced for the directors. There is much to be said for the enhanced motivation and the rewards for performance that such awards may provide. There are, however, a number of considerations to be taken into account in the introduction of any such arrangements for the national museums and galleries, and the Government will consider this proposal further before reaching a decision.

Directors posts heading national and other major museums, galleries and libraries

Institution	*Present grading*	*Proposed by review team*	*New grading with effect from 1 April 1988*
1. British Museum	2	2	2
2. British Library	2	2	2
3. British Museum (Natural History)	+3	+3	+3
4. Victoria and Albert	+3	+3	+3
5. National Gallery	+3	+3	+3
6. Tate Gallery	3	+3	+3
7. Science Museum	3	+3	+3
8. National Maritime Museum	4	−3	4
9. National Museums of Scotland	4	−3	4
10. National Museum of Wales	4	−3	4
11. National Museums and Galleries on Merseyside	Not yet graded	4	4
12. Imperial War Museum	5	4	4
13. National Portrait Gallery	5	4	4
14. National Galleries of Scotland	5	5	4
15. National Library of Scotland	5	5 plus allowance	4
16. National Library of Wales	5	5	4
17. Wallace Collection	5	5	5
18. Sir John Soane's Museum	5	5	5
19. Ulster Museum	5	5	5
20. Ulster Folk and Transport Museum	5	5	5
21. Royal Air Force Museum	5	5	5
22. National Army Museum	5	5	5
23. Royal Armouries	5	5	5

NATIONAL FINANCE

Married Man's Allowance

Mr. Gordon Brown: To ask the Chancellor of the Exchequer how many husbands *(a)* do not have sufficient earnings to make full use of their married man's allowance, and *(b)* make full use of this allowance.

Mr. Norman Lamont: I apologise for the delay in replying.

In 1988-89, about 2·9 million husbands are expected to have insufficient income of their own to use all their tax allowances. In about half a million of these couples, the wife is able to use the married man's tax allowance against her earnings.

About 11·3 million married couples are expected to be liable to income tax in 1988-89 and to use all the appropriate tax allowances.

Her Majesty's Stationery Office Publications

Mr. Fisher: To ask the Chancellor of the Exchequer how many publications Her Majesty's Stationery Office published in each of the last eight years; and what were the total receipts in each year.

Mr. Brooke *[holding answer 9 May 1988]:* The information requested is as follows:

Year	*Number of new titles*	*Net receipts from sales (£ million)*
1980-81	8,400	31·0
1981-82	8,900	39·4
1982-83	8,400	33·2
1983-84	7,800	30·7
1984-85	9,300	32·3
1985-86	9,200	36·3
1986-87	9,300	36·2
1987-88	8,300	36·4

Note: Net receipts are for all publications except those for which Her Majesty's Stationery Office acts as agent.

Capital Gains Tax

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will estimate the reduction in capital gains tax receipts in the first full year of operation of independent taxation of capital gains for husband and wife and the reduction that would result were the transfer of assets between husband and wife to be chargeable occasions.

Mr. Norman Lamont *[holding answer 29 April 1988]:* The full year cost in respect of capital gains realised in 1990-91 is £60 million. This cost may be partly offset by tax on gains deferred from earlier years to take advantage of the new arrangements for the taxation of husband and wife. I regret that information is not available on which to base an estimate for transfers between husband and wife.

DEFENCE

Animals (Experiments)

Mr. Boyes: To ask the Secretary of State for Defence how many animal experiments have been carried out by the Ministry of Defence in each of the last five years.

Mr. Sainsbury: The number of experiments subject to the Cruelty to Animals Act 1876, and the subsequent Animals (Scientific Procedures) Act 1986, for the last five years for which figures are available is as follows:

Year	*Experiments*
1982	14,400
1983	9,900
1984	11,000
1985	6,900
1986	6,600

Gnome Aero Engines

Mr. Barry Field: To ask the Secretary of State for Defence how many Gnome aero engines have been repaired by Rolls-Royce under tender No. A24A since it commenced, and what is the difference between the tender price per engine and the invoiced price.

Mr. Sainsbury: The information requested is commercially confidential between the Ministry of Defence and the company concerned.

Ammunition Lorries

Mr. Flynn: To ask the Secretary of State for Defence whether *(a)* his Department, *(b)* Gwent county council, *(c)* the Department of Transport, *(d)* the Welsh Office and *(e)* the local press were informed of the fire that took place on 30 January on a lorry loaded with ammunition in the Newport, West constituency.

Mr. Freeman: The fire was reported to the Ministry of Defence through the appropriate channels. However, the incident was a minor one and the ammunition load was at no time in any danger, so the other bodies were not informed.

Mr. Flynn: To ask the Secretary of State for Defence if he will list all occasions in the past 10 years when lorries loaded with ammunition were involved in collisions or major mechanical breakdowns.

Mr. Freeman: Statistics on the number of vehicles loaded with ammunition in collisions or major mechanical breakdowns are not held centrally for years prior to 1982 and details could only be provided at disproportionate cost. The occasions since 1 January 1982 are as follows:

13 December 1982, 11 January 1983, 11 December 1983, 3 December 1984, 13 May 1985, 3 December 1986, 22 July 1986, 27 April 1988.

Mr. Flynn: To ask the Secretary of State for Defence if he will list all the occasions in the past 10 years when lorries loaded with ammunition caught fire on motorways and other roads.

Mr. Freeman: Statistics on the number of vehicles loaded with ammunition which caught fire are not held centrally for years prior to 1982 and details could be provided only at disproportionate cost. The occasions since 1 January 1982 are as follows:

24 October 1984, 1 May 1986, 30 January 1988.

Commoners (Rights)

Mr. Michael McNair-Wilson: To ask the Secretary of State for Defence, pursuant to his answer of 29 April, *Official Report*, columns *310-11*, whether he will make it his policy to seek to suspend sine die the rights of common, instead of extinguishing them under the Defence Act 1854, with a view to their restoration once Greenham and Cookham Commons are no longer required for military use.

Mr. Freeman: The option was carefully considered before the decision to extinguish the commoner's rights was announced. Since the lapse of the wartime defence regulations in 1958 the Ministry of Defence has had no legal powers to suspend commoners' rights. However, I am considering whether these rights, once extinguished, could be restored, in the event that RAF Greenham Common is no longer required for defence purposes.

Low-level Flying

Dr. Thomas: To ask the Secretary of State for Defence, pursuant to his reply to the hon. Member for Warley, East (Mr. Faulds) of 14 April, *Official Report*, column 237, what discussions the Chief of the Air Staff held with the Moroccan authorities on the possibility of the Royal Air Force making use of facilities in Morocco for low-flying training; and if he will make a statement.

Mr. Freeman *[holding answer 5 May 1988]:* I have nothing further to add to the answer given by my hon. Friend the Minister of State for the Armed Forces to the hon. Member for Warley, East (Mr. Faulds) on 14 April 1988, at column 237. The details of discussions of this sort are confidential.

Chemical Weapons

Mr. Boyes: To ask the Secretary of State for Defence if he will list those nations and organisations which have employed chemical weapons in the past 10 years; and which international statutes they have been adjudged to have violated.

Mr. Mellor: I have been asked to reply.

There have been a large number of reports of the use of chemical weapons over the last 10 years, although many have not been confirmed. Iraqi forces have repeatedly used chemical weapons against Iranian forces in the Gulf conflict. There has also been evidence of the use of chemical weapons in Afghanistan and south-east Asia in the early 1980s, although independent on-site investigation did not prove possible.

The use of chemical weapons in war is prohibited by the 1925 Geneva protocol, to which approximately 110 states are currently party. About a third of these states have reserved the right to retaliate against first use.

Main allegations on CBW use 1977-1988

Laotian and Vietnamese forces in Laos	1977-1981
Vietnamese forces in Kanpuchea	1978-1984, 1986 and 1987
United States covert action (CIA) in Cuba	1978-1981
Vietnamese and Chinese forces during Chinese invasion	February 1979
Soviet forces in Afghanistan	1980-84 (and 1986)
Ethiopian forces against Eritrean sessionists and in the conflict with Somalia	Summer 1980-April 1981 (and continuing)
Iraqi forces in Iran	November 1980-1988
Salvadoran Army and National Guard in El Salvador	1981 and 1984
South African forces in Angola and Namibia	December 1981 (and continuing)
Burmese army against insurgents	1982 and 1986
Guatemalan forces in civil war	July 1982
Indonesian forces in East Timor	October 1984
Philippines Armed Forces against insurgents in Mindanao	November 1984
Nicaraguan forces against contra guerilla forces	December 1984 and February 1986
Angolan (Cuban/Soviet) forces against UNITA positions	September-November 1983 and 1987
Sudanese Peoples' Liberation Army against Sudanese Army	January 1986
Chadian Government against rebel forces	April 1986
Libyan forces in Chad	December 1986 and September 1987
Mozambique forces against RENAMO rebels	December 1986
Sudan	December 1986
Filipino terrorists against Government forces	September 1987

Note:

Most of these allegations are unsubstantiated and/or are made by less than partial observers; for instance, outside Governments supporting one of the combatants. Several of these allegations have been repeated over the last decade and each separate report is not reproduced here.

HOUSE OF COMMONS

Debating Time

Mr. Michael McNair-Wilson: To ask the Lord President of the Council how much debating time has been made available for Scottish, Welsh and Northern Irish matters since July 1987; and if he will list the legislation which has been considered on the Floor of the House and in Standing Committee for each of the regions.

Mr. Wakeham: The information requested for legislation relating exclusively to Scottish, Welsh and Northern Irish matters is as follows:

Debating time since July 1987

	Floor of the House	*Standing Committee*
Scottish matters	47·41	89·46
Welsh matters	11·46	0·54
Northern Ireland matters	22·59	1·06

Legislation considered

Scottish

Scottish Development Agency Bill[2]
Housing (Scotland) Bill[2]
School Boards (Scotland) Bill[2]
Rate Support Grant (Scotland) (No. 2) Order 1987[3]
Rate Reduction (Lothian Region) 1987-88 Report[3]
Rate Reduction (Edinburgh District) 1987-88 Report[3]
d. Housing Support Grant (Scotland) Order 1988[3]
d. Housing Support Grant (Scotland) Variation Order 1988[3]
Rate Support Grant (Scotland) (No. 3) Order 1987[3]
Revaluation Rate Rebates (Scotland) (No. 3) Order 1987[3]
Non-Domestic Rates and Community Charges (Timetable) (Scotland) Regulations 1988[3]
Education (Publication and Consultation Etc) (Scotland) Amendment Regulations 1988[3]
Community Charges (Registration) (Scotland) Regulations 1988[3]
Standard and Collective Community Charges (Scotland) Regulations 1988[3]
d. Advice and Assistance (Financial Conditions) Scotland Regulations 1988[1]
d. Civil Legal Aid (Financial Conditions) Scotland Regulations 1988[1]
Salmon (Weekly Close Time) (Scotland) Regulations 1988[1]

Wales

Welsh Development Agency Bill[3]
Welsh Rate Support Grant Supplementary (No. 2) Report 1986-87[3]
Welsh Rate Support Grant Report 1988-89[3]
Welsh Rate Support Grant Supplementary (No. 2) Report 1984-85[3]
Welsh Rate Support Grant Supplementary (No. 2) Report 1985-86[3]
d. Parliamentary Constituencies (Wales) (Miscellaneous Changes) Order 1987[1]

Northern Ireland

Northern Ireland Act 1974 (Interim Period Extension) Order 1987[3]
d. Appropriation (Northern Ireland) (No. 2) Order 1987[3]
d. Electricity Supply (Amendment) (Northern Ireland) Order 1987[3]
d. Jury Trial (Amendment) (Northern Ireland) Order 1987[3]
d. Licensing (Northern Ireland) Order 1987[3]
d. Registration of Clubs (Northern Ireland) Order 1987[3]
d. Water (Fluoridation) (Northern Ireland) Order 1987[3]
d. Charities (Northern Ireland) Order 1987[3]
d. Limitation (Amendment) (Northern Ireland) Order 1987[3]
d. Enduring Powers of Attorney (Northern Ireland) Order 1987[3]
d. Enduring Powers of Attorney (Northern Ireland Consequential Amendment) Order 1987[3]
d. Appropriation (No. 3) (Northern Ireland) Order 1987[3]
d. Northern Ireland (Emergency Provisions) Acts 1978 and 1987 (Continuance) Order 1988[3]
d. Criminal Injuries (Compensation) (Northern Ireland) Order 1988[3]
d. Appropriation (Northern Ireland) Order 1988[3]
d. Wages (Northern Ireland) Order 1988[3]
d. General Assistance Grants (Abolition) (Northern Ireland) Order 1988[3]

d. Adoption (Northern Ireland) Order 1987[1]
d. Statistics of Trade and Employment (Northern Ireland) Order 1988[1]
d. Minor's Contracts (Northern Ireland) Order 1988[1]

Notes:
[1] In Standing Committee.
[2] Both on Floor of the House and in Standing Committee.
[3] On Floor of the House only.
d. Draft.

Written Answers to Questions

Wednesday 11 May 1988

SCOTLAND

Forestry

Mr. Ron Davies: To ask the Secretary of State for Scotland if he will list the names and areas of land for which instalments of forestry grant aid have been paid in Sutherland and Caithness since 1 April 1981.

Lord James Douglas-Hamilton: This information is not readily available and could be obtained only at disproportionate cost.

Mr. Ron Davies: To ask the Secretary of State for Scotland if he will instruct the Forestry Commission to publish details in future in its annual report of *(a)* the area of land approved for forestry grant aid and *(b)* the area of planting for which grants were paid for (i) conifers, (ii) mixed woodlands and (iii) pure broadleaves in each of the Forestry Commission's conservancies in that year.

Lord James Douglas-Hamilton: I shall ask the forestry commissioners to consider whether more detailed information on private planting might reasonably be provided in their annual reports.

Housing

Mr. Kirkwood: To ask the Secretary of State for Scotland (1) what plans he has to review existing tolerable standard laws for housing;

(2) whether he intends making severe condensation in a house a reason for declaring a house unfit for habitation;

(3) whether he intends to make lack of bath or shower a condition for a house being regarded as substandard.

Lord James Douglas-Hamilton: We are currently reviewing the statutory tolerable standard for houses in the context of our proposed reform of the home improvement and repair grants system, as outlined in the White Paper "Housing: The Government's Proposals for Scotland," published last November. We expect to issue a detailed consultation paper on our reform proposals shortly for comment.

Data Protection

Mr. Chris Smith: To ask the Secretary of State for Scotland what revenue has been received by his Department since 11 November 1987 from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984.

Mr. Rifkind: No valid applications have been received from the general public under the provisions of the Data Protection Act 1984 and consequently no revenue has been received by the Scottish Office.

Mr. Chris Smith: To ask the Secretary of State for Scotland how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by his Department he has received since 11 November 1987.

Mr. Rifkind: Eighteen valid applications have been received under the provisions of the Data Protection Act 1984; all have been from staff within the Scottish Office.

Chronically Sick Young People

Mrs. Margaret Ewing: To ask the Secretary of State for Scotland what is the total number of residential places available in each health board area for the young chronically sick.

Mr. Michael Forsyth: Information is not held centrally in precisely the form requested. Information about beds available for young chronic sick people in NHS hospitals in each health board in Scotland is contained in table 3 of "Scottish Hospital Activity Statistics" published by the information and statistics division, Scottish Health Service Common Services Agency. Residential places for physically disabled people are also provided in residential homes registered by local authority social work departments. Information about these can be found in the "Statistical Bulletin: Residential Accommodation," published by the Scottish Education Department, social work services group. Further relevant information is contained in the annual report presented under the provisions of the Chronically Sick and Disabled Persons Act 1970. All of these documents are available in the Library.

Mrs. Margaret Ewing: To ask the Secretary of State for Scotland what is the most recent estimate of the number of young chronically sick in each health board area.

Mr. Michael Forsyth: This information is not held centrally.

Items in Lieu of Tax

Mr. Allan Stewart: To ask the Secretary of State for Scotland if any further items have been accepted in lieu of tax in the current financial year.

Mr. Rifkind: I am pleased to announce that the following item has been accepted in lieu of tax:

Item	*Amount of Tax Satisfied* £
The portrait of John Gray of Carntyne by Sir Henry Raeburn	96,250

The portrait has been allocated to Aberdeen art gallery and museum in accordance with the conditions upon which it was offered.

Rating Reform

Mr. Nicholas Bennett: To ask the Secretary of State for Scotland if he will list the average rate paid by a domestic ratepayer in each Scottish local authority in 1988-89, together with his estimate for the community charge which would be payable by each payer in 1988-89 had the community charge system been in operation.

Mr. Lang: The table shows present estimates of the average rate bill paid by a domestic ratepayer and the estimated level of community charge which would be

necessary to replace domestic rate income in 1988-89. Neither set of figures reflects the rate reduction of 5·6p proposed for Lothian regional council. The community charge figures are those that would be required to raise the same revenue for each authority in domestic rates in the current year. They do not represent forecasts of the level of charge when the new system is introduced in 1989-90.

	Average domestic rate bill 1988-89 £	*Community charge districts plus regions (including community water charge)* £
Berwickshire	353	205
Ettrick and Lauderdale	355	207
Roxburgh	354	211
Tweeddale	374	205
Clackmannan	449	245
Falkirk	426	233
Stirling	583	270
Annandale and Eskdale	380	210
Nithsdale	396	210
Stewartry	398	210
Wigtown	353	203
Dunfermline	461	247
Kirkcaldy	457	258
North East Fife	518	261
Aberdeen City	431	220
Banff and Buchan	342	208
Gordon	391	206
Kincardine and Deeside	395	201
Moray	335	201
Badenoch and Strathspey	376	201
Caithness	310	202
Inverness	424	204
Lochaber	356	214
Nairn	421	200
Ross and Cromarty	361	209
Skye and Lochalsh	248	200
Sutherland	246	195
East Lothian	630	331
Edinburgh City	639	334
Midlothian	590	323
West Lothian	544	316
Argyll and Bute	444	274
Bearsden and Milngavie	885	283
Clydebank	468	267
Clydesdale	504	263
Cumbernauld and Kilsyth	544	266
Cumnock and Doon Valley	430	256
Cunninghame	512	279
Dumbarton	582	281
East Kilbride	567	261
Eastwood	792	264
Glasgow City	505	291
Hamilton	550	272
Inverclyde	515	263
Kilmarnock and Loudoun	484	268
Kyle and Carrick	578	274
Monklands	522	266
Motherwell	500	261
Renfrew	540	273
Strathkelvin	606	266
Angus	423	245
Dundee City	485	275
Perth and Kinross	462	249
Orkney	191	107
Shetland	384	201
Western Isles	220	125
Scotland	498	266

ENERGY

Nuclear Reactors (Fuel Consumption)

Mr. Frank Cook: To ask the Secretary of State for Energy what is the quantity in tonnes of fresh fuel consumed per year by *(a)* a 500 MW Magnox reactor, *(b)* a 1300 MW advanced gas-cooled reactor, and *(c)* an 1100 MW pressurised water reactor.

Mr. Michael Spicer: This is an operational matter for the Central Electricity Generating Board and I have asked the chairman to write to the hon. Member.

Uranium

Mr. Frank Cook: To ask the Secretary of State for Energy what has been the quantity in tonnes of depleted uranium produced from the Magnox reprocessing operation at Sellafield which has been re-enriched and used as nuclear fuel since its inception.

Mr. Michael Spicer: Over 15,000 tonnes of depleted uranium from the reprocessing of Magnox irradiated fuel have been enriched for use in civil nuclear fuel.

Energy Efficiency

Mr. Rowlands: To ask the Secretary of State for Energy what are his Department's target reductions in energy usage for 1988-89; what is his Department's target reduction in electricity usage for lighting in 1988-89; and what investment his Department is planning to make in new energy-efficient lighting equipment in 1988-89 to achieve those target reductions.

Mr. Peter Morrison: My Department has no plans to invest in new energy-efficient measures in our main building, where we are the principal tenants, as we will be vacating the premises in the summer of 1989. My Department, though, has set a target reduction in electricity consumption within its control, for 1988-89, of 7 per cent. Electricity used for lighting cannot be identified separately from overall electricity consumption.

Plutonium

Mr. Darling: To ask the Secretary of State for Energy, pursuant to the answer to the hon. Member for Edinburgh, Central of 24 February, *Official Report*, column *240*, if he will list the bodies and agencies for which Ministers are responsible which are to be involved directly or indirectly, in the physical protection of plutonium transported from Sellafield to Japan.

Mr. Michael Spicer: The police and other agencies will be involved as necessary.

Mr. Darling: To ask the Secretary of State for Energy what demand British Nuclear Fuels Ltd. expects for plutonium for the manufacture of fresh fuel for electricity generation in Japanese reactors from the mid 1990s.

Mr. Michael Spicer: This is a matter for BNFL and I have asked the chairman to write to the hon. Member.

Mr. Darling: To ask the Secretary of State for Energy what factors are taken into account apart from physical protection in assessing alternative forms of transport for exporting plutonium overseas.

Mr. Michael Spicer: Safety and physical protection are the two most important factors in assessing alternative

forms of transport for exporting any nuclear material overseas. The cost of transporting the material must also be taken into account.

Mr. Darling: To ask the Secretary of State for Energy if he will list the countries which currently send spent Magnox fuel to Sellafield for reprocessing; how much plutonium has been returned to these countries; and how it was transported.

Mr. Michael Spicer: Japan and Italy currently send spent magnox fuel to Sellafield for reprocessing. Some 2½ tonnes of plutonium from the reprocessing of such fuel has been returned to either the country of origin or, on the instructions of its owner, to a third country. The plutonium was transported by air or by sea in accordance with IAEA safety regulations.

Information relating to specific consignments is confidential for reasons of security and commercial sensitivity.

Mr. Matthew Taylor: To ask the Secretary of State for Energy whether plutonium production ability was a factor in the choice of design for the advanced gas-cooled reactors at Hinkley Point in Somerset.

Mr. Michael Spicer: The choice of individual reactor design is a matter for the Central Electricity Generating Board and I have asked the chairman to write to the hon. Member.

Thermal Oxide Fuel

Mr. Darling: To ask the Secretary of State for Energy if he will list the countries currently under contract to send spent thermal oxide fuel to Sellafield for reprocessing in the mid-1990s.

Mr. Michael Spicer: The countries which have thermal oxide reprocessing contracts with British Nuclear Fuels plc which still have to send fuel to Sellafield for reprocessing in the new thermal oxide reprocessing plant are the Netherlands, the Federal Republic of Germany, Switzerland, Italy and Japan. BNFL also has fuel for reprocessing from Canada, Sweden and Spain which has already been delivered.

Air-sea Combat Manoeuvring System

Mr. David Porter: To ask the Secretary of State for Energy if he will make a statement on his assessment of the likely effects on North sea gas and oil installation manufacturing in *(a)* East Anglia and *(b)* the United Kingdom generally, of the air-sea combat manoeuvring system.

Mr. Peter Morrison: I understand that British Aerospace is considering a project which would involve the fabrication of six small towers. United Kingdom fabrication yards should be in a strong position to compete for the work if the project goes ahead.

Power Stations (Comparative Costs)

Mr. Matthew Taylor: To ask the Secretary of State for Energy if he will publish his Department's calculations of the relative costs of a coal-fired station in relation to Sizewell B, referred to in his decision letter of 12 March 1987 on the Central Electricity Generating Board's application to construct Sizewell B; and if he will make a statement.

Mr. Michael Spicer: I have nothing to add to the letter issued by my right hon. Friend on 12 March 1987, which adequately states the grounds for his decision to give consent to the power station at Sizewell B.

AGRs (Refuelling Shutdowns)

Mr. Matthew Taylor: To ask the Secretary of State for Energy on how many occasions on average advanced gas-cooled reactors have to be shut down each year for refuelling; and if he will estimate the cost of these shutdowns.

Mr. Michael Spicer: This is an operational matter for the Central Electricity Generating Board and I have asked the chairman to write to the hon. Member.

Electricity Generation

38. **Mr. Morgan:** To ask the Secretary of State for Energy what minimum proportion of the minimum non-fossil fuel generated electricity in the privately owned electricity industry structure he proposes for England and Wales he envisages will be generated from nuclear stations.

Mr. Parkinson *[pursuant to his reply, 28 March 1988, c. 295-96.]:* As the White Paper on privatising electricity (Cm. 322) made clear, the Government have decided that the obligation will be expressed in terms of a requirement for the distribution companies to contract for a specified minimum proportion of non-fossil fuelled capacity. This will ensure that both nuclear capacity and renewable sources of power will be able to make a contribution to maintaining diversity of fuel sources in the electricity supply system. The distribution companies will be able to seek such capacity from any source, including own generation (within any general limits on this that may be laid down), providing any necessary safety, planning and other consents are obtained. The obligation will set a minimum level of non-fossil fuelled capacity; there will be nothing to prevent distribution companies contracting for or generating companies building a higher level of plant.

It is intended that the requirement will be embodied in an order in the form of a statutory instrument made by the Secretary of State under powers to be sought in the main privatisation legislation. What follows is therefore subject to Parliament approving that legislation.

The Government believe that, in order to give an effective and clear statement of strategic priorities, and to set the background for the series of power station applications submitted and intended to be submitted by the Central Electricity Generating Board (the benefit of which will be transferred to the CEGB's successor companies), it would be right to set the obligation as a level to be obtained in the future. The White Paper made it clear that the proportion of non-fossil fuelled generating capacity required to be under contract would be fixed at a level achievable at the time of privatisation. The precise level is still under consideration. However the Governent's present intention is that, when it is set, the figure for the year 2000 will not be below the present level of existing and committed nuclear and renewable generating capacity.

WALES

Data Protection

Mr. Chris Smith: To ask the Secretary of State for Wales what revenue has been received by his Department since 11 November 1987 from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984.

Mr. Peter Walker: None.

Mr. Chris Smith: To ask the Secretary of State for Wales how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by his Department he has received since 11 November 1987.

Mr. Peter Walker: One.

HOME DEPARTMENT

Energy Saving

Mr. Rowlands: To ask the Secretary of State for the Home Department what are his Department's target reductions in energy usage for 1988-89; what is his Department's target reduction in electricity usage for lighting in 1988-89; and what investment his Department is planning to make in new energy-efficient lighting equipment in 1988-89 to achieve those target reductions.

Mr. Hurd: My Department has set a target reduction of 0·45 per cent. in energy usage for 1988-89. Investment in energy efficiency measures, including wherever possible the introduction of more energy-efficient lighting equipment, is planned to amount to £690,000, of which investment in energy-efficient lighting equipment accounts or £10,000 supplemented by general maintenance expenditure. Because of the wide range of operational requirements and types of building occupied by the Department it is not practicable to specify targets for particular forms of electricity usage such as lighting.

Political Parties (Annual Accounts)

Mr. Allen: To ask the Secretary of State for the Home Department if he will introduce legislation to oblige political parties to file and publish annual accounts.

Mr. Douglas Hogg: No.

Nationality Application

Mr. Janner: To ask the Secretary of State for the Home Department what is the minimum and what is the maximum fee currently required to be remitted by an applicant for British nationality; and where he deposits such fees between the time they are removed from the applicants' envelopes and the time that the applicants are informed as to the result of their applications.

Mr. Renton: The prescribed fees for British citizenship are as set out. On receipt of each application, the fee is taken as an appropriation in aid into class XI, vote 3, and is accounted for in the appropriation account for that vote.

	£
Naturalisation	170
except for the spouse of a British citizen for which the fee is	60
Registration of an adult	60
Registration of a minor	60
except for registration under the provisions of section 9 of the British Nationality Act 1981 for which the fee is	10

Data Protection

Mr. Chris Smith: To ask the Secretary of State for the Home Department what revenue has been received by the Metropolitan police, since 11 November 1987, from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984.

Mr. Douglas Hogg: I understand from the Commissioner of Police of the Metropolis that to 5 May 1988 the force had received £1,490 in fees for access to personal records under the provisions of the Data Protection Act 1984.

Mr. Chris Smith: To ask the Secretary of State for the Home Department what revenue has been received by his Department since 11 November 1987 from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984.

Mr. Renton: During the period 11 November 1987 to 6 May 1988 the Department received £127·50 in fees for subject access to personal records under the provisons of the Data Protection Act 1984.

Mr. Chris Smith: To ask the Secretary of State for the Home Department what information he has as to how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by the Metropolitan police have been received since 11 November 1987.

Mr. Douglas Hogg: The Commissioner of Police of the Metropolis has provided the following information:

Subject access applications: 11 November 1987 to 5 May 1988
Metropolitan police

	Number
Applications for data held solely on Metropolitan police computers	11
Applications for data held on Metropolitan police computers and on the police national computer	58
Applications for data held solely on the police national computer	52
Total applications for subject access	121

Mr. Chris Smith: To ask the Secretary of State for the Home Department how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by his Department he has received since 11 November 1987.

Mr. Renton: During the period 11 November 1987 to 6 May 1988 the Department received 21 requests for subject access.

Police National Computer

Mr. Chris Smith: To ask the Secretary of State for the Home Department what arrangements are being made by

his Department or other Government agencies to provide cost-effective communications systems for police national computer U2.

Mr. Douglas Hogg: The Department is considering a number of options for the provision of a cost-effective communications system for the replacement police national computer.

Mr. Chris Smith: To ask the Secretary of State for the Home Department what arrangements will be made for tendering for civil works contracts associated with police national computer U2; and if he will make a statement.

Mr. Douglas Hogg: All contracts for civil works at the PNC site at Hendon, associated with the replacement police national computer system, will be let by the Metropolitan police (which is responsible for providing services to that site) under its normal tendering procedure.

Mr. Chris Smith: To ask the Secretary of State for the Home Department what stage has been reached for specifications for data processing equipment for police national computer U2.

Mr. Douglas Hogg: The operational requirement for the replacement police national computer was issued to potential suppliers on 3 May 1988. A copy has been placed in the Library.

Mr. Chris Smith: To ask the Secretary of State for the Home Department how many staff are currently employed full or part-time on planning or development work for police national computer U2.

Mr. Douglas Hogg: As at 9 May 1988, 48 staff (42 civil servants and six seconded police officers) were employed full-time, and one civil servant was employed part-time, on planning and development work for the replacement police national computer.

Children's Homes

Mr. Corbyn: To ask the Secretary of State for the Home Department what is the average time taken for the Metropolitan police to record examinations of applicants to work in children's homes; and if he will make a statement.

Mr. Douglas Hogg: I understand from the Commissioner of Police of the Metropolis that at present it is taking on average 47 days to deal with inquiries from local authorities about applicants for posts which involve substantial access to children. Separate figures are not available for inquiries about applicants for posts in children's homes run by local authorities.

Births (Holloway Prison)

Mr. Corbyn: To ask the Secretary of State for the Home Department how many babies have been born in Her Majesty's prison, Holloway in each year since 1979 and in local hospitals to prisoners in Holloway.

Mr. Douglas Hogg: The available details are as follows:

Period	Number of babies born: in Holloway	in hospital[2]
1979	1	18
1980	—	20
1981	—	28
1982	1	10
1983	1	24
January 1984-March 1985[1]	1	28
April 1985-March 1986	1	27
April 1986-March 1987	—	26
April 1987-March 1988	—	31

[1] Due to changes in the collection period the statistics for January 1984-March 1985 cover a 15 month period.
[2] In outside hospital to Holloway inmates.

Arrangements are always made for babies to be born in outside hospitals unless emergencies prevent this.

Passports

Mr. Teddy Taylor: To ask the Secretary of State for the Home Department if he will make inquiries into the reasons why Mr. Emrys Frederick Williams of 154 Maplin Way, Thorpe Bay, Southend-on-Sea, Essex, who sent his passport for renewal to the passport office, Peterborough, on 16 March, to enable him to attend his daughter's wedding in the United States of America, has not yet received his passport, although the Department acknowledged the receipt of his application on 23 March (Number 7); and when he expects the passport office to be able to deal with passport applications more expeditiously.

Mr. Renton: A replacement passport was posted on 9 May. Applications showing an early date of travel are given priority at the passport offices. As Mr. Williams had indicated that he did not intend to travel until 5 July, his application was not regarded as urgent.

I announced on 31 March, at columns 680-81, in reply to a question from my hon. Friend the Member for Skipton and Ripon (Mr. Curry), a number of special measures to reduce delays at the passport offices in advance of computerisation of the passport-issuing system.

Crime (Clear-up Rates)

Mr. John: To ask the Secretary of State for the Home Department if he will list, for each police force in England and Wales, the clear-up rate, at the latest convenient date, of the following crimes: *(a)* murder and manslaughter, *(b)* offences against the person, *(c)* arson, *(d)* robbery, burglary and theft, *(e)* offences against property, including wilful and malicious damage; and if he will set out the corresponding rates for the same date five years previously.

Mr. Douglas Hogg *[holding answer 3 May 1988]:* The number of notifiable offences cleared up by the police in 1987 was 1·23 million, 9 per cent. higher than in 1982. Clear-up rates for the largest major groups of offences are listed in the following tables. More detailed analyses of offences recorded and cleared up by type of offence are generally published by chief officers of police in their annual reports, copies of which are available in the Library. For some types of offences such as homicide and arson, the annual numbers recorded and cleared up by some forces are small and subject to appreciable fluctuations, so that clear-up rates based on these numbers may be misleading.

Notifiable offences recorded by the police: clear up rate by offence group and police force area—England and Wales 1982

Percentage

Police force area	*Total*[1,2]	*Violence against the person*	*Burglary*	*Theft and handling stolen goods*	*Fraud and forgery*	*Criminal damage*[1]
Avon and Somerset	40	85	28	37	83	38
Bedfordshire	39	77	29	40	61	23
Cambridgeshire	40	85	34	38	69	30
Cheshire	52	90	40	52	90	47
Cleveland	46	81	40	47	61	30
Cumbria	43	90	34	43	74	38
Derbyshire	46	86	31	47	90	27
Devon and Cornwall	45	88	32	43	86	32
Dorset	41	79	33	37	84	35
Durham	45	87	32	45	91	38
Essex	40	80	32	41	65	27
Gloucestershire	42	68	30	44	72	31
Greater Manchester	40	75	24	42	91	29
Hampshire	34	75	23	34	65	28
Hertfordshire	47	83	40	47	86	27
Humberside	41	83	32	42	78	29
Kent	41	78	40	40	54	30
Lancashire	45	89	34	45	85	38
Leicestershire	46	82	39	44	81	35
Lincolnshire	52	86	38	55	73	36
London, City of	20	56	19	13	58	32
Merseyside	40	63	37	39	79	25
Metropolitan Police District	16	54	8	16	45	11
Norfolk	37	83	28	37	82	27
Northamptonshire	41	83	31	41	81	31
Northumbria	49	79	40	54	58	29
North Yorkshire	43	90	29	44	82	37
Nottinghamshire	43	74	40	43	60	25
South Yorkshire	49	82	39	51	81	31
Staffordshire	49	91	40	48	71	34
Suffolk	45	86	30	46	70	30
Surrey	31	78	17	32	55	29
Sussex	45	85	30	48	72	39
Thames Valley	39	79	29	39	75	30
Warwickshire	39	86	34	37	72	31
West Mercia	43	88	35	42	77	33
West Midlands	33	68	31	33	53	21
West Yorkshire	42	76	42	40	69	27
Wiltshire	40	88	30	39	67	25
England	36	75	28	36	68	25
Dyfed-Powys	57	95	50	51	96	52
Gwent	57	91	42	57	92	46
North Wales	50	82	37	51	80	38
South Wales	47	85	41	46	85	35
Wales	50	87	41	49	87	39
England and Wales	37	76	29	37	69	26

[1] Excluding offences of 'other criminal damage' of value £20 and under.
[2] Including offences in the sexual offences, robbery and 'other notifiable offences' group which are not shown separately in this table.

Notifiable offences recorded by the police: clear up rate by offence group and police force area
England and Wales 1987

Percentages

Police force area	*Total*[1,2]	*Violence against the person*	*Burglary*	*Theft and handling stolen goods*	*Fraud and forgery*	*Criminal damage*[1]
Avon and Somerset	30	83	17	27	75	27
Bedfordshire	29	72	22	27	59	19
Cambridgeshire	35	83	26	33	66	29
Cheshire	40	87	25	40	83	42
Cleveland	34	72	29	34	58	23
Cumbria	46	90	35	45	81	42
Derbyshire	45	87	27	45	84	37
Devon and Cornwall	39	84	29	37	79	29
Dorset	36	89	23	30	83	35
Durham	42	84	33	41	18	53
Essex	35	79	25	36	60	22
Gloucestershire	38	98	25	38	82	31

Police force area	Total[1,2]	Violence against the person	Burglary	Theft and handling stolen goods	Fraud and forgery	Criminal damage[1]
Greater Manchester	27	72	18	25	83	19
Hampshire	34	77	26	32	73	26
Hertfordshire	44	81	25	44	90	29
Humberside	32	77	23	32	55	22
Kent	33	80	26	31	60	26
Lancashire	46	84	37	43	92	40
Leicestershire	45	83	41	42	76	31
Lincolnshire	37	78	29	37	61	24
London, City of	19	80	25	12	46	23
Merseyside	43	54	44	43	73	24
Metropolitan Police District	16	53	8	15	47	11
Norfolk	36	82	30	36	72	25
Northamptonshire	41	79	40	40	65	22
Northumbria	44	76	41	46	71	21
North Yorkshire	34	94	20	34	77	33
Nottinghamshire	34	75	27	31	57	23
South Yorkshire	43	83	35	44	75	30
Staffordshire	42	83	31	41	68	32
Suffolk	45	85	30	47	71	31
Surrey	34	87	18	32	66	31
Sussex	32	77	18	32	64	29
Thames Valley	31	72	21	30	67	21
Warwickshire	34	83	28	33	66	24
West Mercia	42	90	34	40	74	34
West Midlands	36	67	45	32	55	18
West Yorkshire	39	80	35	38	73	26
Wiltshire	36	78	21	35	66	30
England	33	74	27	31	66	22
Dyfed-Powys	51	94	35	43	91	42
Gwent	53	91	41	49	92	47
North Wales	43	90	27	42	87	36
South Wales	39	82	33	39	74	28
Wales	43	87	32	41	84	34
England and Wales	33	75	27	32	67	23

[1] Excluding offences of 'other criminal damage' of value £20 and under.
[2] Including offences in the sexual offences, robbery and 'other notifiable offences' group which are not shown separately in this table.

Petty Sessional Divisions

Mr. Bermingham: To ask the Secretary of State for the Home Department (1) how many persons with the appropriate qualifications were employed by each petty sessional division in England and Wales at 31 December 1984, 1985, 1986 and 1987 and the latest date available;

(2) what was the establishment figure for persons with appropriate qualifications for each petty sessional division in England and Wales at 31 December 1984, 1985, 1986 and 1987 and the latest date available;

(3) how many ancillary persons were employed in each of the petty sessional divisions of England and Wales at 31 December 1984, 1985, 1986 and 1987 and the latest date available;

(4) what was the establishment figures for ancillary persons employed by each petty sessional division of England and Wales at 31 December 1984, 1985, 1986 and 1987 and the latest date available.

Mr. John Patten *[holding answer 21 April 1988]:* I have today written to the hon. Member, and a copy of the reply has been placed in the Library.

PRIME MINISTER

Data Protection

Mr. Chris Smith: To ask the Prime Minister (1) what revenue has been received by the Cabinet Office since 11 November 1987 for the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984;

(2) how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by the Cabinet Office have been received since 11 November 1987.

The Prime Minister: Twenty-two subject access requests have been received. All but one were from staff who are not charged a fee. The Cabinet Office has received £10 in revenue.

VAT

Mr. Teddy Taylor: To ask the Prime Minister if she has advised the European Council of Her Majesty's Government's objection to the levying of value added tax on food, fuel, and children's clothing; and if she will make a statement.

The Prime Minister: My right hon. Friend the Chancellor of the Exchequer has made our position

perfectly clear to the Economic and Finance Council (ECOFIN) which is the appropriate forum for discussion of the European Commission's proposals for tax approximation.

Great Ormond Street Hospital

Mr. Dobson: To ask the Prime Minister, further to her answer to the hon. Member for Holborn and St. Pancras on 3 May, *Official Report*, column *350*, whether the Hospitals for Sick Children special health authority ever asked the Government to meet the full costs of the refurbishment of Great Ormond street hospital for sick children.

The Prime Minister: The Hospitals for Sick Children special health authority has made no formal proposal for the Government to meet the full cost of its rebuilding programme. The authority has always accepted that the Government would not fully fund this scheme.

Visits

Mr. Dobson: To ask the Prime Minister (1) why she did not inform right hon. and hon. Members representing central London constituencies that she proposed to cease the practice of informing them of her intentions to visit their constituencies;

(2) why she informs right hon. and hon. Members representing constituencies outside central London of her intentions to visit their constituencies;

(3) how many times, since she decided not to inform right hon. and hon. Members representing central London constituencies of visits to their constituencies, she has visited Holborn and St. Pancras;

(4) when she ceased to make it her practice to inform right hon. and hon. Members representing seats in central London of her intentions to visit their constituency;

(5) which constituencies are covered by her decision not to inform right hon. and hon. Members representing central London constituencies of her intentions to visit their constituency;

(6) why she has decided not to inform right hon. and hon. Members representing central London constituencies of her intentions to visit their constituency.

The Prime Minister: I refer the hon. Gentleman to my replies of 3 May 1988, at column *350*. My usual practice has always been to inform any Members of a visit to his or her constituency shortly before the visit is due to take place, as a courtesy to the hon. Member concerned. It would be impractical to do so, however, in relation to central London because of the frequency of visits in that area which I undertake in the course of my duties. Records are not readily available of the visits I undertake to these central London constituencies, which for this purpose include the city of London and Westminster, South, Chelsea, Kensington, Westminster, North, Holborn and St. Pancras and Islington, South and Finsbury.

OVERSEAS DEVELOPMENT

Zimbabwe

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment is available to him on the level of economic growth in Zimbabwe in each year since 1983.

Mr. Mellor: The rate of economic growth in Zimbabwe as measured by the estimated growth in the gross domestic product is as follows for each year since 1983:

Year	*Per cent.*
1983	−4·2
1984	2·6
1985	9·3
1986	2·3
1987	0·3

Source: IMF staff papers.

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his assessment of the extent to which Zimbabwe has benefited from joining the Lomé convention and improved access to European Community markets.

Mr. Mellor: Over the five years to 1990 Zimbabwe will get 73 million ecu (about £50 million) in planned aid from the European development fund, in addition to benefiting from SADCC and other regional projects. Zimbabwe also receives loans from the European Investment Bank and emergency aid, and is eligible for finance under the stabex scheme.

Under the Lomé convention, Zimbabwe's exports of its industrial products and the great majority of its agricultural products enter the Community free of tariff and other restrictions.

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list current development projects in Zimbabwe for which United Kingdom national, Commonwealth or European Community assistance is given and the value of that assistance.

Mr. Mellor: Under the bilateral aid programme to Zimbabwe, Britain is currently financing the following projects at a total cost of £28·598 million:

Project	*£ million*
Land Resettlement Grant 1981	20·000
Project Loan 1982	
Water Bowsers	0·475
Veterinary Faculty Equipment	0·740
Land Rover Rehabilitation	0·707
Cold Storage Commission Equipment	0·757
Kwekwe Roasting Plant	0·317
Migrant Pest Control	0·050
Tractor Rehabilitation Grant 1986	1·200
Rural Development Grant 1986	
Lister Diesels Assembly	1·897
Lister Diesels Rehabilitation	0·385
Dairy Marketing Board	0·490
Nyanyadzi Irrigation	0·280
Cotton Marketing Board	1·300
	28·598

In addition, we expect to spend about £6 million in 1988-89 on technical co-operation activities.

The Commonwealth fund for technical co-operation is currently funding with grants estimated at £67,800 a number of projects in Zimbabwe involving the provision of experts.

Projects in Zimbabwe currently being financed by the European Community from the fifth and sixth European development funds are as follows:

	Total allocation £ million
Grant funding	
Veterinary faculty, University of Zimbabwe	5·17
Fruit and vegetable development programme	0·43
Matabeleland South Rural Water Project	0·76
Aid to Grain Marketing Board	0·96
Microprojects programmes III	2·07
Technical assistance to Zimbabwe Development Bank	0·34
Regional tsetse and trypanosomiasis control	5·76
Regional railways training	1·38
Agriculture Finance Corporation	2·41
Expert development programme	3·03
Konyati and Gatske-Gatske communal lands	2·07
Reintegration of qualified nationals	0·52
Special loan funding	
Smallholder coffee, fruit, vegetable, irrigated food crop development	2·90
Tsetse and trypanosomiasis control	2·69
Matabeleland South Rural Water Project	2·07
Aid to Grain Marketing Board	3·88
Agricultural Finance Corporation	13·79
European Investment Bank risk capital	
Zimbabwe Development Bank	3·10

The United Kingdom share of this total of £53·33 million is about £9 million.

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list United Kingdom contributors to Zimbabwe through national, Commonwealth and European Community action in each year since 1983.

Mr. Mellor: United Kingdom bilateral aid expenditure and the estimated British share of Commonwealth and European Community aid expenditure to Zimbabwe since 1983 have been as follows:

(£000s)

	1983	*1984*	*1985*	*1986*
United Kingdom bilateral aid	19,453	15,062	23,636	12,242
Estimated United Kingdom share of European Community aid	1,590	4,470	700	600
Estimated United Kingdom share of Commonwealth aid	79	89	107	78

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs what other measures he has taken, or proposes to take, to assist the Zimbabwe Government to strengthen their national economy and to decrease their dependence on the economy of the Republic of South Africa.

Mr. Mellor: All our bilateral aid to Zimbabwe aims to strengthen the national economy. In addition, we support the Southern African Development Co-ordination Conference, of which Zimbabwe is a member.

Data Protection

Mr. Chris Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what revenue has been received by the Overseas Development Adminstration since 11 November 1987 from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984.

Mr. Mellor: None. Members of the Overseas Development Administration's staff, overseas pensioners and staff employed under the aid programme are not charged for reasonable access to their personal records.

Mr. Chris Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by the Overseas Development Administration he has received since 11 November 1987.

Mr. Mellor: Four.

EDUCATION AND SCIENCE

Rating Reform

Mr. Pike: To ask the Secretary of State for Education and Science whether he has any plans to meet the Committee of Vice-Chancellors and Principals to discuss the arrangements for the introduction of the community charge; and if he will make a statement.

Mr. Jackson: No. The arrangements for the introduction of the community charge are the responsibility of my right hon. Friend the Secretary of State for the Environment. I understand that officials of his Department will be meeting representatives of the Committee of Vice-Chancellors and Principals in the near future.

City Technology Colleges

Mr. Simon Hughes: To ask the Secretary of State for Education and Science what arrangements he intends to make regarding the qualifications and suitability of persons to be employed as teachers in city technology colleges.

Mrs. Rumbold: Teachers at city technology colleges will be employed by the charitable trust established to run the colleges, and appointed by the governing bodies and the principals acting on behalf of the governing bodies. My right hon. Friend will require, as a condition of grant, that CTCs will normally employ as teachers those who have qualified teacher status.

CTCs will be registered independent schools within the meaning of the Education Act 1944. As such they will fall within the scope of my right hon. Friend's powers under section 71 of that Act with regard to the suitability of persons employed as teachers. Like other schools, CTCs will also have access to my Department's information on those teachers who have been excluded from the profession, or restricted in their activities.

Schools (Healthy Eating)

Mr. Thurnham: To ask the Secretary of State for Education and Science how many schools in the United Kingdom have taken part in schemes under the inner urban aid fund to promote healthy eating among school children; and if he will make a statement about the schemes' effectiveness.

Mr. Dunn: The information is not available. Many local education authorities are actively involved in promoting healthy eating at school.

Assisted Places Scheme

Mr. Stern: To ask the Secretary of State for Education and Science if he has any plans to expand the assisted places scheme; and if he will make a statement.

Mr. Dunn: The Government are committed to expanding the assisted places scheme to an eventual total of 35,000 places in England and Wales. We have made a start by allocating some additional places to schools already participating in the APS from September 1988. Expansion will continue in line with the availability of resources.

FOREIGN AND COMMONWEALTH AFFAIRS

Zimbabwe

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the implications for United Kingdom policy on the maintenance of stability in southern Africa of Zimbabwe's policy of maintaining a military presence in Mozambique.

Mr. Mellor: We welcome the assistance which the Zimbabwe Government are providing to the Mozambican Government in their efforts to restore peace to Mozambique.

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs if he has made any representations to, or received representations from, the African National Congress with regard to that organisation's use of Zimbabwe as a route into South Africa.

Mr. Mellor: No, but we have made clear on many occasions our opposition to cross-border incursions from whatever quarter.

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's policy towards the use by the African National Congress of Zimbabwe as a route into South Africa.

Mr. Mellor: We have repeatedly condemned cross-border incursions. Our opposition to the use of violence by the ANC is well known.

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the implications for United Kingdom policy towards relations with Zimbabwe of the reported merging of the Zanu and Zapu political movements in Zimbabwe.

Mr. Mellor: This is an internal matter for Zimbabwe. We welcome the generally improved internal security situation which appears to have stemmed from it.

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the implications for United Kingdom policy on the maintenance of stability in southern Africa of Zimbabwe's policy towards its neighbouring countries and the African National Congress.

Mr. Mellor: We wish to encourage stability in the region and to that end we attach importance to regional co-operation in southern Africa, as is demonstrated by our support for SADCC and the FLS. Our policy towards the African National Congress is well known.

Data Protection

Mr. Chris Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what revenue has been received by his Department since 11 November 1987 from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984.

Mr. Mellor: We do not make a charge for subject access to present or former members of staff. As all the applications have fallen into this category, no revenue from the payment of fees has accrued.

Mr. Chris Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by his Department he has received since 11 November 1987.

Mr. Mellor: Since 11 November 1987 the Foreign and Commonwealth Office has received 27 requests for subject access, all from present or former members of staff.

THE ARTS

Eastern Arts

Mr. David Porter: To ask the Minister for the Arts what representations he has received since his last announcement of funding for Eastern Arts; and if he will make a statement.

Mr. Luce: I have received no such representations. The funding of regional arts associations is a matter for the Arts Council.

Arts Council (Consultants)

Mr. Fisher: To ask the Minister for the Arts (1) what information he has on the total costs of consultancies engaged by the Arts Council in each of the past five years;

(2) whether he will list the arts consultants that his Department has employed in each of the past five years, the projects on which they have worked and the cost per consultancy.

Mr. Luce *[holding answers 29 April and 9 May 1988]:* I have been advised that this information could be provided only at disproportionate cost. But the major consultants, and the projects for which they were engaged by the Arts Council in 1987-88, at a total cost of £145,103, were:

Consultant	*Project*
Dewe Rogerson Ltd.	An Urban Renaissance
Newchurch & Co. Ltd.	Upstart
Peat Marwick, McLintock & Co.	Advice on accountancy matters and incentive funding
Price Waterhouse & Co.	Incentive funding

ENVIRONMENT

Building Industry

111. **Mr. Atkinson:** To ask the Secretary of State for the Environment what are the forecasts for growth in the building industry in 1988 *(a)* in the United Kingdom and *(b)* in other European nations.

Mr. Trippier: Forecast percentage changes in construction output in real terms in 1988 over 1987 are set out in the table.

Country	*Percentage change 1988-87*
West Germany	−0·5
Belgium	−1·0
Denmark	−7·4
France	1·6
Great Britain	[1]3·0
Italy	0·8
Netherlands	−0·9
Norway	−1·4
Austria	1·0
Sweden	1·4
Switzerland	0·2

[1] Excludes Channel tunnel project.

Forecasts for the United Kingdom are not available.

These forecasts were compiled by Euroconstruct, a biannual conference of European forecasting organisations, at its winter meeting at the beginning of December 1987. Britain is represented by NEDO and stockbrokers James Capel. The British forecasts reflect the views of NEDO's joint forecasting committee. My Department does not publish forecasts of construction output. The next Euroconstruct meeting is in July, when these forecasts will be reviewed.

In April the National Council of Building Material Producers forecast the change at 8 per cent. for Great Britain. It is expected that the forecast by NEDO's committee will be revised upwards when they meet in May-June.

Rent Acts

Mr. McCartney: To ask the Secretary of State for the Environment how many private properties there are for rent outside the Rent Acts in England and Wales.

Mrs. Roe: This information is not available.

Wetlands

Mr. Stern: To ask the Secretary of State for the Environment when he next intends to announce the designation of an area either as a site under the Ramsar convention on the conservation of wetlands of international importance or as a special protection area under the European Community directive on the conservation of wild birds or both.

Mr. Moynihan: We are currently considering a number of proposals put forward by the Nature Conservancy Council for the classification of sites as special protection areas under the EC birds directive and/or as wetlands of international importance under the Ramsar convention. While we shall endeavour to reach a decision on these cases as expeditiously as possible, I cannot forecast when the next classification of a site will be announced. Classification of sites in Scotland is the responsibility of my right hon. and learned Friend the Secretary of State for Scotland.

Mr. Stern: To ask the Secretary of State for the Environment whether he will list the criteria and guidelines for the identification of wetlands of international importance for listing under the Ramsar convention which were adopted by the third conference of contracting parties to the convention at Regina, Canada, in June 1987; and what is the extent to which the criteria and guidelines will be adopted in identifying wetlands of international importance in the United Kingdom.

Mr. Moynihan: The criteria and guidelines for the identification of wetlands of international importance for listing under the Ramsar convention which were revised at the third conference of contracting parties at Regina, are as follows:

Criteria for Identifying Wetlands of International Importance for Designation for the List under Article 2 of the Ramsar Convention

As revised at the Third Meeting of the Conference of the Contracting Parties in Regina

A wetland is suitable for inclusion in the List if it meets any of the criteria set out below:

1. Criteria for assessing the value of representative or unique wetlands.

A wetland should be considered internationally important if it is a particularly good example of a specific type of wetland characteristic of its region.

2. General criteria for using plants or animals to identify wetlands of importance.

A wetland should be considered internationally important if

(a) it supports an appreciable assemblage of rare, vulnerable or endangered species or subspecies of plant or animal, or an appreciable number of individuals of any one or more of these species; or

(b) it is of special value for maintaining the genetic and ecological diversity of a region because of the quality and peculiarities of its flora and fauna; or

(c) it is of special value as the habitat of plants or animals at a critical stage of their biological cycles: or

(d) it is of special value for its endemic plant or animal species or communities.

3. Specific criteria for using waterfowl to identify wetlands of importance.

A wetland should be considered internationally important if:

(a) it regularly supports 20,000 waterfowl; or

(b) it regularly supports substantial numbers of individuals from particular groups of waterfowl, indicative of wetland values, productivity or diversity; or

(c) where data on populations are available, it regularly supports 1 per cent. of the individuals in a population of one species or subspecies of waterfowl.

LDDC (Extension)

Mr. John Marshall: To ask the Secretary of State for the Environment whether he proposes any extension to the London Docklands Development Corporation similiar to the extensions recently announced to the Merseyside Development Corporation.

Mr. Trippier: No.

Coastal Footpaths (North Devon)

Mr. Speller: To ask the Secretary of State for the Environment what information he has as to how many miles of coastal footpaths are now open to the public along the north Devon coast from Somerset to Cornwall; and how many more miles are needed to complete this route.

Mr. Moynihan: Approval last year of the link between Braunton and Westward Ho completed the Somerset and north Devon coast path. The whole of the Devon section of this long-distance route, which covers approximately 89 miles, is now open and available to the public.

Enterprise Zones

Mr. Gareth Wardell: To ask the Secretary of State for the Environment if he will publish in the *Official Report* a list of those studies commissioned during the last five years by his Department on enterprise zones.

Mr. Trippier: My Department commissioned an evaluation of the enterprise zone experiment in 1986. No other studies have been commissioned in the last five years.

Water (Nitrate Content)

Mr. Colvin: To ask the Secretary of State for the Environment when the working party investigating the problem of the nitrate content in water is due to report; and if he will make a statement.

Mr. Moynihan: I have nothing further to add to my statement of 20 January in answer to a question from my hon. Friend the Member for Southend East (Mr. Taylor), at column 742.

Houses (Multiple Occupation)

Mr. Wilson: To ask the Secretary of State for the Environment if he will list the local authorities in England and Wales which have been visited by the environmental health officer seconded to his Department to advise on houses in multiple occupation, since 3 November 1987.

Mrs. Roe: Since 3 November 1987 the Department's environmental health advisor has visited environmental health departments in the following English local authorities. The adviser's remit does not extend to Wales.

Blackpool
Camden
Hereford
Lancaster
Leeds
Manchester
Portsmouth
Reading
Thanet
Woodspring

Data Protection

Mr. Chris Smith: To ask the Secretary of State for the Environment what revenue has been received by his Department since 11 November 1987 from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984.

Mr. Ridley: £20.

Mr. Chris Smith: To ask the Secretary of State for the Environment how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by his Department he has received since 11 November 1987.

Mr. Ridley: By 9 May 1988 my Department — including PSA — had received 426 applications. All but three have come from existing or former employees of the Department about their personal records.

Landlord and Tenant Act 1987

Mr. Heddle: To ask the Secretary of State for the Environment when he proposes to introduce the commencement orders relating to those parts of the Landlord and Tenant Act 1987 so far unenacted.

Mr. Waldegrave: My right hon. Friend intends to make the commencement order for the remaining provisions in the Landlord and Tenant Act 1987 before the summer recess, after consultation with interested parties.

Rating Reform

Mr. Cohen: To ask the Secretary of State for the Environment how he estimates that the availability of the community charge register to the general public will make the register more accurate; and whether he will list those organisations and individuals, other than individuals whose details appear in the register and the community charge officer, who are likely to be involved in maintaining the accuracy of information found on the register.

Mr. Howard: The general public will have a legitimate interest in the accuracy of the community charge register. We have therefore decided to ensure that an extract from the register will be available for public inspection. It is impossible to predict in detail what contacts there might be between registration officers and individuals or organisations.

Local Authorities (Finance)

Dr. Cunningham: To ask the Secretary of State for the Environment pursuant to his answer of 3 May, *Official Report*, column *390*, if he will list in the *Official Report* those authorities to which he has granted additional capital allocations or additional borrowing approval from 1 April 1981 to 9 March 1988 and, in each case, give the amount of the additional allocations and borrowing approval, the project for which it was issued and the reasons for issuing it.

Mr. Ridley: The information requested is not readily available and could be obtained only at disproportionate cost. For instance, over 750 allocations were issued in response to the Department's letter of 29 October 1982, a copy of which I am sending to the hon. Member.

Zoological Society of London

Mr. Greg Knight: To ask the Secretary of State for the Environment whether he will announce details of further financial support to the Zoological Society of London; and if he will make a statement.

Mr. Ridley: The Zoological Society of London has been receiving an annual grant and capital support from my Department for a number of years, in recognition of its special status as a centre of zoological excellence. This support has secured the viability of the society. It has enabled it in particular to sustain its famous collections of animals at Regent's Park and Whipsnade and to meet the costs of the Institute of Zoology, which enjoys considerable international renown.

Last year the society and my Department jointly engaged a team of leading consultants, headed by Peat Marwick McLintock, to report on the scope for improving the zoos' financial performance and implications for future Government support. We have decided, in the light of the consultants' findings, that a radical change in approach is needed. This recognises that ZSL has distinctive and separate roles in the field of scientific research and species conservation, on the one hand, and

in the promotion of public understanding and enjoyment of animals, presented in attractive surroundings, on the other.

London zoo and Whipsnade have enjoyed enormous popularity with generations of London families and visitors from further afield. But the zoos need to renew their existing infrastructure and invest in new attractions to retain and build on this well-deserved popularity. The consultants have indicated that, given the right kinds of management skills, the zoos have the opportunity to remain world leaders and to become financially self-sufficient.

The Government accepts that ZSL's scientific work through the Institute of Zoology should receive continuing support. But as far as the zoos themselves are concerned, the Government believe that continued annual subsidy from public funds is no longer appropriate. Nevertheless, some limited further assistance is needed to set the society on its new path.

The Government and ZSL have accordingly reached agreement on the following terms:

(a) After the end of the present financial year, annual funding for ZSL's Institute of Zoology will be provided through the Universities Funding Council (which is intended to replace the University Grants Committee from 1 April 1989) and the University of London. From then on ultimate responsibility will rest with my right hon. Friend the Secretary of State for Education and Science.

(b) ZSL will establish a new operating subsidiary company, to run the two zoos. The company will have a new managing director and specialist management team provided by the Grant Leisure Group Ltd., initially for a period of three years.

(c) The society has undertaken that the management of the new company will produce a master development plan. My Department will then provide ZSL with a once-and-for-all capital endowment of up to £10 million, payable by November 1988. I have agreed with my right hon. Friend the Chief Secretary to the Treasury to fund these resources either from savings within my own programme, or if necessary by call on the Reserve.

(d) Subject to agreement on detailed terms, I propose to grant to the society a new 60-year lease in respect of the Regent's Park site, under the terms of the Crown Estate Act 1961. This will include an extra 10 acres of land from the park which the society has the option of taking under the Act, and arrangements will be made for the society to take over the management of the Gloucester Slips coach and car park. There will be no payment under the lease initially, but I shall be reviewing the terms of it once the society's financial position is assured.

The Government believe it is right to recognise, through the proposed endowment, the particular significance of London zoo's long association with Regent's Park and its impact on the amenities of the royal park as a whole. I am glad to say that Westminster city council welcomes the concept of looking at a long-term strategy for Regent's Park zoo. South Bedfordshire district council, too, is very supportive of the concept of a revitalised Whipsnade.

I am very grateful to the president and hon. treasurer of the society and their colleagues for the willing co-operation which has made all this possible. The society has shown its confidence in the management skills of Mr. Grant and his team, who bring with them an impressive record of success in zoos and other visitor attractions.

I am confident that these new arrangements will give the greatest possible scope to ZSL to make a success of its operations and to raise private capital for new investment. They will enable the Government to withdraw from what I consider to be an inappropriate regime of subsidy. The Government have done their bit. It is now up the public to show their support for ZSL and to demonstrate that they want to see zoos of this eminence continuing into the 21st century.

National Rivers Authority

Mr. Harris: To ask the Secretary of State for the Environment whether water authorities are now able to start making preparations for the establishment of the National Rivers Authority.

Mr. Ridley: Following the granting of Royal Assent to the Public Utility Transfers and Water Charges Act, my noble Friend the Minister for Environment, Countryside and Water has today invited the English water authorities to prepare schemes of organisation in accordance with guidelines he has sent to them. My hon. Friend, the Parliamentary Under-Secretary of State for Wales, has issued a similar invitation to the chairman of Welsh Water. Copies of the guidelines have been laid in the Libraries of both Houses.

Water and Sewerage

Mr. Patnick: To ask the Secretary of State for the Environment what conclusions he has reached on the comments made in response to the consultation paper on water and sewerage law published by his Department and the Welsh Office in March 1986.

Mr. Moynihan: We received many positive and constructive responses to our consultation paper. As a result we have in some cases modified or discarded our original proposals.

We have, in particular, decided not to proceed with the proposals for transferring to undertakers responsibility for private sewers and water supply pipes. We recognise the problems faced by some householders, particularly those whose sewers are not adopted. These are, however, responsibilities which go with the properties concerned and purchasers of property need to take them into account just as they do other maintenance obligations. To transfer responsibility to undertakers would mean customers in general having to meet the cost. The existing legislation permits the owners of private sewers to apply to the relevant water authority to have their sewer adopted and there is a right of appeal to the Secretary of State if the authority refuses. This is an important safeguard, which we intend to preserve.

I am placing a summary of our revised proposals in the Libraries of both Houses. I believe the changes we propose will provide a modern operational framework which will serve the water industry well in the years ahead. Provision to implement these changes will be made in the main water privatisation Bill.

Sporting Events

Mr. Pendry: To ask the Secretary of State for the Environment how many football matches the Minister with responsibility for sport, the hon. Member for Lewisham, East (Mr. Moynihan), has attended in the course of his official duties in the last year; and if he will list them.

Mr. Moynihan *[holding answer 10 May 1988]:* I have attended 15 matches so far this season; these being the following:

Venue	Date
Football League Centenary Match	
Bobby Robson's 11 v. The Rest of the World	8 August 1987
West Germany v. England	9 September 1987
Tottenham Hotspur v. Wimbledon	31 October 1987
Metropolitan Police 5-a-side Tournament	26 November
Finals Wembley Arena	1987
Luton Town v. Derby County	16 January 1988
Hartlepool United v. Crewe Alexandra	27 February 1988
England v. Holland	23 March 1988
Derby County v. Arsenal	26 March 1988
Union Berlin v. Rott Weiss Erfurt	
(East Germany)	1 April 1988
The Littlewoods Cup Final	
Luton Town v. Arsenal	24 April 1988

In addition, I attended Charlton Athletic's home games against:

Venue	Date
Arsenal	3 October 1987
Chelsea	20 December 1987
Liverpool	23 January1988
Newcastle United	23 April 1988

and its game at Manchester United on 1 January 1988.

I shall also be attending the following:

Venue	Date
The FA Cup Final	14 May 1988
England v. Colombia—Rous Cup	24 May 1988
England v. Republic of Ireland—	
European Championships in West Germany	12 June 1988

Green Belt

Mr. McCrindle: To ask the Secretary of State for the Environment what is his policy towards proposals for private sector sponsored transport infrastructure projects in the green belt; and if he will make a statement.

Mr. Waldegrave: We are rigorously adhering to Government policy towards all proposals under the planning Acts for development in the green belt. This policy is clearly stated in PPG2—copies of which are in the Library—which states:

"Inside a Green Belt, approval should not be given, except in very special circumstances, for the construction of new buildings or for the change of use of existing buildings for purposes other than agriculture and forestry, outdoor sport, cemeteries, institutions standing in extensive grounds, or other uses appropriate to a rural area."

DEFENCE

Brigadier Geoffrey Slater

Mr. Cohen: To ask the Secretary of State for Defence for what reason the Army has required Brigadier Geoffrey Slater to retire from his post as head of 23 Base Workshops at Wettar, in the Federal Republic of Germany; if he is to be charged with any offence; and if he will make a statement.

Mr. Freeman: Following allegations against Brigadier Slater, which were made in an anonymous letter to Headquarters British Army of the Rhine, it was decided that it was in the best interests of Brigadier Slater and of the Army that he be removed from his appointment.

After a full investigation by the special investigation branch of the Royal Military Police and by Brigadier Slater's commanding officer and after taking legal advice, it was decided that it was more appropriate to deal with the matter administratively.

Air-Sea Combat Manoeuvring System

Mr. David Porter: To ask the Secretary of State for Defence if he will make a statement on his assessment of the air-sea combat manoeuvring system, in respect of its likely effects on North sea gas and oil installations.

Mr. Sainsbury: Further to my answer at column *622*, on 31 March, British Aerospace's unsolicited proposals to construct an air combat manoeuvring installation in the North sea continue to be studied by this Department, taking account of all relevant factors. I have nothing further to add at this stage.

Data Protection

Mr. Chris Smith: To ask the Secretary of State for Defence what revenue has been received by his Department since 11 November 1987 from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984.

Mr. Sainsbury: The revenue received by the Ministry of Defence from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984, is nil.

Mr. Chris Smith: To ask the Secretary of State for Defence how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by his Department he has received since 11 November 1987.

Mr. Sainsbury: As at 1 May 1988, 4,322 applications under the provisions of the Data Protection Act 1984 for subject access to personal records have been received by the major pay and personnel database centres in the Ministry of Defence.

Gibraltar (Shootings)

Mr. Denzil Davies: To ask the Secretary of State for Defence whether there were any British Army personnel directly involved in the recent shooting incident in Gibraltar.

Mr. Ian Stewart: Yes.

Machrihanish Air Base

Mrs. Ray Michie: To ask the Secretary of State for Defence if he will make a statement on the actual and proposed developments at Machrihanish air base following its increasing use by military aircraft and personnel.

Mr. Freeman: Subject to securing the necessary funding from NATO sources, it is intended to carry out a programme of modernisation of the facilities at RAF Machrihanish over the next seven years or so. Our plans are still at a relatively early stage of development, but we shall be approaching the local planning authorities very shortly for formal consultation on our outline proposals.

Mrs. Ray Michie: To ask the Secretary of State for Defence if he will detail any alterations at present being carried out or being planned for the future at Machrihanish air base.

Mr. Freeman: Some work is curently under way to provide increased protection to existing facilities at Machrihanish. It is too early to give details of the proposed future modernisation projects, but further consultation will take place in the normal way with local planning authorities when design work reaches an appropriate stage.

NATIONAL FINANCE

Balance of Payments

112. **Mr. Wareing:** To ask the Chancellor of the Exchequer what estimate he has made of the state of the balance of payments on current account at the end of 1988.

Mr. Major: At Budget time my right hon. Friend the Chancellor forecast a deficit on the current account of £4 billion in 1988.

Business Expansion Scheme

113. **Mr. Butterfill:** To ask the Chancellor of the Exchequer how much was raised under the business expansion scheme in *(a)* 1987-88 and *(b)* 1986-87.

Mr. Norman Lamont: It is provisionally estimated that over £165 million was raised in 1986-87. Information for 1987-88 is not yet available.

Trade Deficit

114. **Dr. Moonie:** To ask the Chancellor of the Exchequer what information he has as to which Organisation for Economic Co-operation and Development countries are predicting a greater trade deficit per head than the United Kingdom for 1988.

Mr. Lilley: On the OECD's last published forecasts for 1988, nine OECD countries will have larger current account deficits, per head of the population, than the United Kingdom.

Balance of Trade

115. **Mr. Alan W. Williams:** To ask the Chancellor of the Exchequer what is his latest estimate of the balance of trade for 1988.

Mr. Major: At Budget time my right hon. Friend the Chancellor forecast a deficit on visible trade of £12½ billion in 1988. Combined with a projected surplus on invisibles of £8½ billion, the current account was forecast to be in deficit by £4 billion, less than 1 per cent. of GDP.

116. **Mr. Hoyle:** To ask the Chancellor of the Exchequer what is his latest estimate of the balance in manufactured trade for 1988.

120. **Mr. Win Griffiths:** To ask the Chancellor of the Exchequer what is his latest estimate of the balance in manufactured trade for 1988.

Mr. Major: At Budget time, my right hon. Friend the Chancellor forecast a deficit of £8½ billion on manufactured trade during 1988. With substantial surplus expected on trade in services and oil and on net earnings from overseas assets, the current account deficit is forecast to be £4 billion, less than 1 per cent. of GDP.

117. **Dr. Marek:** To ask the Chancellor of the Exchequer what proportion of his estimate of the anual trade balance for 1988 has now been reached by the monthly figures.

118. **Ms. Armstrong:** To ask the Chancellor of the Exchequer what proportion of his estimate of the annual trade balance for 1988 has now been reached by the monthly figures.

Mr. Major: At Budget time my right hon. Friend the Chancellor forecast a visible trade deficit of £12½ billion in 1988. The deficit in the first quarter was £3·6 billion.

Industrial Competitiveness

119. **Mr. Allen McKay:** To ask the Chancellor of the Exchequer if he has any information on the effects of top tax rates on industrial competitiveness.

Mr. Major: Maintaining tax rates in line with or below those of our main competitors is vital if Britain is to retain and motivate its most talented and enterprising individuals.

Disposable Incomes

Mr. Nicholas Bennett: To ask the Chancellor of the Exchequer if he will publish in the *Official Report* his latest estimate of average per capita disposable incomes for each region of the United Kingdom, taking into account average mortgage repayments in each region.

Mr. Major: I refer my hon. Friend to the answer I gave him on 1 March, at column *503*. No more recent information will be available until towards the end of the year.

Data Protection

Mr. Chris Smith: To ask the Chancellor of the Exchequer (1) what revenue has been received by his Department since 11 November 1987 from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984;

(2) how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by his Department he has received since 11 November 1987.

Mr. Brooke: The Treasury has received no applications for subject access under the provisions of the Data Protection Act 1984. It has received no revenue since 11 November 1987 from the payment of related fees.

Taxation (Harmonisation)

Mr. Teddy Taylor: To ask the Chancellor of the Exchequer if he will publish tables showing the changes which would occur in tax levels on petrol, cigarettes, alcohol and other items of consumer expenditure in consequence of the measures recommended by the European Commission for the harmonisation of indirect taxation.

Mr. Lilley: I refer my hon. Friend to the replies I gave to the hon. Member for Newham, South (Mr. Spearing) on 23 March at columns *124-26* (tables *(a)* and *(c))* and 24 March at column *196*.

Mr. Teddy Taylor: To ask the Chancellor of the Exchequer what assessment he has made of the increase or

decrease in tax revenue stemming from petrol and diesel oil, alcohol, tobacco and other items, respectively, in consequence of the recommendations of the EEC Commission; and if he will make a statement.

Mr. Lilley: I refer my hon. Friend to the replies I gave to the hon. Member for Newham, South (Mr. Spearing) on 23 March at columns *124-26* (table *(b)*) and 24 March at column *196*.

Mr. Teddy Taylor: To ask the Chancellor of the Exchequer if he has received information from the EEC Commission about whether its tax harmonisation proposals will be subject to unanimity; and if he will make a statement.

Mr. Lilley: No such information is necessary. The unanimity requirement is written into article 17 of the Single European Act.

Mr. Teddy Taylor: To ask the Chancellor of the Exchequer what assessment he has made of the impact on United Kingdom industry and commerce of the proposals by the EEC Commission on tax on petrol and diesel oil; and if he will make a statement.

Mr. Lilley: We estimate that the direct impact of the Commission's proposals for the harmonisation of the duties on petrol and diesel oil would be a reduction in duty payable of approximately £250 million in a full year.

VAT

Mr. Teddy Taylor: To ask the Chancellor of the Exchequer when he now expects to receive the decision of the European Court on the case initiated by the Commission on the levying of value added tax on gas, electricity, water, sewerage and protective clothing and footwear supplied to industry and commerce and on the levying of value added tax on all new commercial and industrial buildings; and if he will make a statement.

Mr. Lilley *[holding answer 10 May 1988]:* The European Court of Justice has not yet given an indication of a likely date for delivery of its judgment.

TRADE AND INDUSTRY

Teaching Company Scheme

6. **Dr. Hampson:** To ask the Chancellor of the Duchy of Lancaster what steps he is taking to promote industry's awareness of the teaching company scheme.

Mr. Butcher: The teaching company scheme is being promoted as part of the enterprise initiative.

Advertising Agencies

20. **Mr. Martlew:** To ask the Chancellor of the Duchy of Lancaster which advertising agencies have been used by his Department in the last year.

70. **Mr. Vaz:** To ask the Chancellor of the Duchy of Lancaster which advertising agencies have been used by his Department in the last year.

Mr. Butcher: The agencies contracted to work on DTI campaigns for the financial year 1987-88 were—

Ayer Barker
Charles Barker
D'Arcy Masius Benton and Bowles
Doyle, Dane, Bernbach and Needham
WCRS Matthews Marcantonio
J. Walter Thompson
DBF Advertising

Single European Market

21. **Mr. Baldry:** To ask the Chancellor of the Duchy of Lancaster whether, in negotiating measures aimed at the completion of a single European market, he will make it his policy to encourage other member countries of the European Community to adopt a comprehensive programme of deregulation similar to that carried out in Britain.

Mr. Alan Clark: Yes. It is a cornerstone of our policy on completing the single market that no measure should impose unnecessary burdens on business. There is general agreement that the benefits of the single market can best be realised in a liberal market with the minimum of red tape. We therefore frequently discuss deregulation with other member states.

77. **Mr. Andrew Mitchell:** To ask the Chancellor of the Duchy of Lancaster what response he has had to efforts to ensure that business men in all regions of the country are made aware of the opportunities presented by the completion of the single European market in 1992.

Mr. Alan Clark: The Government are already taking a number of measures to alert business to the single European market and the vital importance of preparing for it now. These include regional conferences, detailed literature, national advertising and a telephone hotline. The single market campaign will run until 1992, but its exact form will be continually assessed in the light of current needs.

92. **Ms. Primarolo:** To ask the Chancellor of the Duchy of Lancaster if he will make a further statement on the Government's preparations for the European single market.

Mr. Alan Clark: The Government have launched a five-year campaign to encourage firms in every part of the country to prepare for completion of the single European market. As part of the campaign there will be 20 regional conference and many more seminars. This will be supported by a comprehensive information service including detailed literature, DTI's Spearhead computer database, our 1992 telephone hotline, and national advertising.

Local Enterprise

22. **Mr. Simon Hughes:** To ask the Chancellor of the Duchy of Lancaster if he has met the representatives of the ACC, ADC and the AMA to discuss the report "Stimulating Local Enterprise — The Local Authority Role."

Mr. Kenneth Clarke: No.

Business Prospects (Warrington)

23. **Mr. Butler:** To ask the Chancellor of the Duchy of Lancaster what is his assessment of business prospects in the Warrington area.

Mr. Atkins: United Kingdom GDP is forecast to increase by 3 per cent. and manufacturing output by 5 per cent. this year. The strengthening of incentives in this

year's Budget and the help available through the enterprise initiative will ensure that business in Warrington continues to be well placed to take its full share of this growth.

Consumer Protection

24. **Mr. Morley:** To ask the Chancellor of the Duchy of Lancaster what representations he has received seeking new legislation to protect consumers.

Mr. Butcher: Suggestions for new legislation to protect consumers are received from a wide range of organisations and individuals. Careful consideration is given to all proposals, bearing in mind the Government's wish to avoid placing undue burdens on business. Our aim is rather to protect consumers by ensuring that they have good and sufficient information on which to make a reasoned choice.

Manufactured Goods

25. **Mr. Cryer:** To ask the Chancellor of the Duchy of Lancaster what is the current deficit in manufactured goods with the EEC up to the most recent practicable date in 1988.

Mr. Alan Clark: In the 12 months to March 1988, there was an estimated deficit of £10·5 billion on the balance of payments basis.

38. **Mr. Flynn:** To ask the Chancellor of the Duchy of Lancaster what is the level of exports of manufactured goods in 1988 so far; and what equivalent information he has for 1987.

72. **Mr. Pike:** To ask the Chancellor of the Duchy of Lancaster what is the level of exports of manufactured goods in 1988 so far; and what was the equivalent figure for 1987.

Mr. Alan Clark: In the first three months of 1988 exports of manufactured goods were valued at £14·9 billion. The equivalent figure for the first three months of 1987 was £14·8 billion.

Management Buyouts

26. **Mr. John Browne:** To ask the Chancellor of the Duchy of Lancaster what was the total value of management buyouts in *(a)* 1987 and *(b)* 1986.

Mr. Butcher: About £3·2 billion and £1·2 billion respectively.

Ministerial Visits (Northumberland)

27. **Mr. Beith:** To ask the Chancellor of the Duchy of Lancaster what recent ministerial visits have been made by Ministers from his Department to Northumberland.

Mr. Atkins: I visited Northumberland on 30 March.

Aircraft Equipment Manufacturers

28. **Mr. Bill Walker:** To ask the Chancellor of the Duchy of Lancaster whether he will consider making launch aid available for aircraft equipment manufacturers.

Mr. Kenneth Clarke: My Department's policy has been to provide launch aid only to airframe and aeroengine manufacturers. Equipment companies may be eligible to apply for other forms of support under the Department's enterprise initiative.

Microwave Distribution System

29. **Mr. Hayes:** To ask the Chancellor of the Duchy of Lancaster what is the latest information he has on the feasibility of the microwave distribution system.

Mr. Butcher: A report on the economic and technical feasibility of microwave video distribution systems, commissioned from Touche Ross by my Department and the Home Office, was delivered in December 1987. The report shows that, given certain assumptions about the spectrum that might be made available, six and perhaps up to 12 additional television services could be provided to areas covering some 70 per cent. of United Kingdom households, though not everyone within such areas would receive an acceptable signal. The Government are at present considering the report together with other information, in the context of wider decisions on the future structure of broadcasting.

Business Consultancy Service

30. **Mr. Favell:** To ask the Chancellor of the Duchy of Lancaster if his Department's proposed business consultancy service will extend to start-ups; and if he will make a statement.

Mr. Atkins: Start-up companies are not specifically precluded from applying for the business planning initiative, but experience has shown that their needs are generally best helped through agencies such as the small firms service and local enterprise agencies. The consultancy initiatives are aimed primarily at helping existing business to become aware of new methods and opportunities through the use of specialist outside advice.

Fixed Investment

31. **Mr. David Marshall:** To ask the Chancellor of the Duchy of Lancaster which Overseas Economic Co-operation and Development countries spend *(a)* a larger and *(b)* a smaller share of their gross domestic product on fixed investment than the United Kingdom.

Mr. Alan Clark: Comparisons for most OECD countries are readily available only for 1986. In that year the following OECD countries spent a larger share of the GDP on fixed investment than the United Kingdom:

Australia, Austria, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Turkey and the United States.

Belgium spent a smaller share of GDP on fixed investment than the United Kingdom. Comparable figures for other OECD countries are not available.

Computing Service Industry

32. **Mr. Cran:** To ask the Chancellor of the Duchy of Lancaster what plans he has to improve the methods for assessing the performance of the United Kingdom computing service industry in comparison with overseas competitors.

Mr. Butcher: I do not seek to assess the performance of the private sector. The Department does, however, collect and publish information about the billings of the computing services sector (including its billings to overseas clients). These arrangements have recently been strengthened to improve the quality of the figures. This

information is published in the relevant *Business Monitor*. The Government also support the efforts of the Organisation for Economic Co-operation and Development to establish a framework which will enable international comparisons of this kind of information to be made.

Solvents

33. **Mr. Janner:** To ask the Chancellor of the Duchy of Lancaster if he will introduce legislation to provide that potentially dangerous solvents in shops shall be kept in locked cabinets.

Mr. Butcher: No. Re-Solv, the non-profit-making body set up by the industry to combat solvent abuse, is issuing guidance to retailers, part funded by Government, which advises them to keep "sniffable" products locked up, out of reach, under the counter or under direct supervision. I prefer this to compulsion.

Competitiveness

34. **Ms. Richardson:** To ask the Chancellor of the Duchy of Lancaster what representations he has recently received on the United Kingdom's competitiveness.

Mr. Kenneth Clarke: Most of the contacts that my Department has with industry and commerce involve having a bearing on United Kingdom competitiveness in one way or another.

Society of British Aerospace Companies

35. **Mr. Brandon-Bravo:** To ask the Chancellor of the Duchy of Lancaster when he expects to meet the president of the Society of British Aerospace Companies; and what matters will be raised.

Mr. Atkins: There are no plans for a meeting at present. However should the SBAC president wish to see me I would of course be happy to discuss whatever matters he wished to raise.

New Technology (North-West)

36. **Mr. Fearn:** To ask the Chancellor of the Duchy of Lancaster what plans he has to encourage the growth of new technology industries in the north-west of England.

Mr. Butcher: The Government have created the necessary conditions for such growth by establishing the right climate for enterprise and the development of new industry nationally.

In the north-west, as elsewhere, my Department is actively promoting the various elements of the enterprise initiative, which give particular attention to the needs of areas such as the north-west. We are working with a number of regional bodies on initiatives to attract both new technology industries to the region, to foster the growth of new technology-based firms and the application of new technology to existing industry.

The enterprise initiative offers wide-ranging support for all business, including specialised consultancy advice for small and medium-sized firms. In the assisted areas and urban programme areas support for up to two thirds of the costs of such consultancy projects is available. Elsewhere we support 50 per cent. of the costs. We have introduced a special scheme — regional enterprise grants — to help firms in the development areas, with fewer than 25 employees to finance their innovation and investment projects, and have extended the small firms merit award for research and technology (SMART). Assistance is available towards the cost of collaborative research projects, and regional selective assistance is available for investment projects by new and existing firms in the assisted areas.

The Department has recently announced an increased grant of £450,000 to INWARD, the north-west's regional development organisation concerned with attracting inward investment, including new technology companies, to the region.

English Estates North West is helping in the development of new technology companies in the region through its investment in Wavertree technology park in Liverpool, the Salford university business park and the technology exchange at Bolton.

The Department's regional office has been closely involved in the formation of Nimtech-NW, a private sector initiative to encourage and accelerate the development of science-based industries in the north-west. Nimtech is now the focus for the north-west's regional technology centre, which, with Government funding support, is working in close co-operation with the region's eight universities and polytechnics to improve technology transfer and skills training throughout the region. The region has a well-established tradition of collaboration between industry and the academic sector. This strength is further reflected in Manchester recently attracting the new private sector and Government sponsored centre for exploitation for science and technology, and Salford university winning the competition to host the Department's national advanced robotics research centre.

Columbus Project

37. **Mr. David Martin:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement about British involvement in the Columbus project.

Mr. Kenneth Clarke: I refer the hon. Member to my statement in the House on 18 April in response to questions by my hon. Friends the Members for Corby (Mr. Powell) and for Southend, East (Mr. Taylor).

Companies (Extra-territorial Controls)

39. **Mr. Stott:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement about his policy towards the United States Government exerting extra-territorial controls over United Kingdom firms.

Mr. Alan Clark: We have asserted on many occasions our rejection of US claims to extra-territorial jurisdiction which infringe on United Kingdom sovereignty.

Sub-Post Offices

40. **Mr. Kirkwood:** To ask the Chancellor of the Duchy of Lancaster what discussions he has had with the chairman of the Post Ofice on the problems of rural sub-post offices.

Mr. Butcher: My right hon. and learned Friend meets the chairman of the Post Office from time to time to discuss matters of current interest including rural sub-post offices.

Mr. Alex Carlile: To ask the Chancellor of the Duchy of Lancaster what were the total hours of opening of sub-post offices in *(a)* 1986 and *(b)* 1987.

Mr. Butcher: This is a matter for the Post Office and I have asked the chairman of the Post Office to write to the hon. Member.

Mr. Matthew Taylor: To ask the Chancellor of the Duchy of Lancaster if he has met representatives of the National Federation of Sub-Postmasters and Mistresses to discuss rural sub-post offices.

Mr. Butcher: I met representatives of the National Federation of Sub-Postmasters on 15 October last year to discuss issues of interest to their members, including rural sub-post offices.

"Take the Initiative" Campaign

Mr. Boateng: To ask the Chancellor of the Duchy of Lancaster if he will give the amount of public funds spent on his Department's current "Take the Initiative" advertising campaign.

Mr. Kenneth Clarke: The estimated cost up to the end of May of the current DTI advertising campaign to promote the enterprise initiative is £7·4 million.

Trade Balance

Mr. Wall: To ask the Chancellor of the Duchy of Lancaster with which countries of the Economic European Community the United Kingdom is running a positive trade balance.

Mr. Chris Smith: To ask the Chancellor of the Duchy of Lancaster with which Organisation for Economic Co-operation and Development countries the United Kingdom is running a positive trade balance.

Mr. Alan Clark: All European Community countries are members of the Organisation for Economic Co-operation and Development. In the last 12 months United Kingdom trade was in surplus with the United States of America, Australia, Canada, Irish Republic, Greece and Spain.

Enterprise Initiative (North-West)

Mr. Hind: To ask the Chancellor of the Duchy of Lancaster if he will give details of the support that has been made available under the enterprise initiative to businesses in the north-west.

Mr. Atkins: A total of 2,319 specific inquiries for consultancy support under the Department's enterprise initiative have been received from businesses in the north-west up to 29 April 1988. At that date, these inquiries had resulted in 721 applications for consultancies being processed. A total of 389 business reviews have been completed, of which 322 have been forwarded to scheme contractors.

Insider Dealing

44. **Mr. Maclennan:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the current operation of the Company Securities (Insider Dealing) Act.

Mr. Kenneth Clarke: My Department considers all allegations of possible contraventions of the Company Securities (Insider Dealing) Act 1985 which are referred to it. In appropriate cases, if the circumstances suggest there may have been such a contravention, inspectors are appointed under section 177 of the Financial Services Act 1986 to carry out an investigation. There are at present 15 cases where inspectors are investigating possible contraventions, and nine cases are under consideration for investigation. Since January 1987 there have been three convictions and one acquittal on charges of contravening the Act. Criminal proceedings have begun in three more cases. The operation of the Act is kept under review.

Foreign Companies

45. **Mr. Key:** To ask the Chancellor of the Duchy of Lancaster whether he plans to continue to make support available to foreign companies wishing to set up operations in any of the assisted areas.

Mr. Atkins: The DTI's enterprise initiative includes a range of assistance available in the assisted areas to United Kingdom and foreign-owned companies for investment projects which meet the relevant criteria.

Trade Deficit

46. **Mr. McFall:** To ask the Chancellor of the Duchy of Lancaster what has been the trade deficit so far in 1988.

Mr. Alan Clark: In the first three months of 1988 there was an estimated deficit of £1·8 billion on the current account.

Basildon

47. **Mr. Amess:** To ask the Chancellor of the Duchy of Lancaster what figures he has for the growth in the number of businesses in Basildon.

Mr. Atkins: There are no figures which indicate precisely the growth of businesses in Basildon. However the Business Statistics Office register for businesses for VAT purposes shows the following for Basildon district:

Number of businesses registered for VAT

	Number
End 1981	2,370
End 1986	3,043
Per cent. increase	28·45

Figures for 1987 are not yet available

Manufacturing Investment

48. **Mr. Boyes:** To ask the Chancellor of the Duchy of Lancaster if he is aware of any research on the effect of interest rates on the level of manufacturing investment; and if he will make a statement.

Mr. Tony Lloyd: To ask the Chancellor of the Duchy of Lancaster what information he has on the connection between the level of manufacturing investment and the level of interest rates.

Mr. Atkins: There has been a large amount of research on this subject, including "Factor Prices in the Treasury Model", by C. Kelly and D. Owen (GES working paper No. 83). A copy is lodged in the House of Commons Library.

65. **Ms. Mowlam:** To ask the Chancellor of the Duchy of Lancaster by how much manufacturing investment fell between 1979 and 1987.

Mr. Butcher: The latest estimate of investment in manufacturing industry, including leased assets, for 1987 is £7·4 billion at 1980 prices. The corresponding investment in 1979 and 1983 was £8·2 billion and £5·6 billion respectively at 1980 prices.

89. **Mr. Andrew Smith:** To ask the Chancellor of the Duchy of Lancaster what are the most recent figures for manufacturing investment; what the percentage change has been since 1979; and which Organisation for Economic Co-operation and Development countries have a greater increase or decrease over this period.

Mr. Alan Clark: The most recent figures of investment in manufacturing industry, including leased assets, are for 1987 — for which the latest estimate is £7·4 billion at 1980 prices. The corresponding investment in 1979 and 1983 was £8·2 billion and £5·6 billion respectively at 1980 prices. These figures show a decrease of 9 per cent. between 1979 and 1987, and an increase of 33 per cent. between 1983 and 1987. Figures for OECD countries are not available on a comparable basis over this period. Available figures for OECD countries are published in "OECD National Accounts 1973-1985".

Scandinavia (Trade)

49. **Mr. Bellingham:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the current level of trade with Scandinavia.

Mr. Alan Clark: For the three months to March 1988, United Kingdom trade with Scandinavia was: exports £1,229·6 million and imports £2,557·2 million. These figures should be treated with more than the usual caution because of major changes to customs procedures introduced in January 1988, details of which were given in a reply to my hon. Friend the Member for Hertfordshire, South-West (Mr. Page) on 7 December 1987, *Official Report*, columns *34-35*.

Restrictive Trade Practices

50. **Mr. Andrew MacKay:** To ask the Chancellor of the Duchy of Lancaster what has been the response to his recent Green Paper on restrictive trade practices.

Mr. Kenneth Clarke: The reaction to the Green Paper has been generally favourable, although we are as yet in the early stages of consultation and have therefore had few formal responses.

Exchange Rate

51. **Mr. Malcolm Bruce:** To ask the Chancellor of the Duchy of Lancaster what recent representations he has received from industry concerning the effects of changes in the exchange rate.

Mr. Kenneth Clarke: My Department has recently received representations from a number of firms and trade organisations about the possible effects of recent exchange rate movements.

83. **Mr. Beaumont-Dark:** To ask the Chancellor of the Duchy of Lancaster what is his latest assessment of the impact of the sterling exchange rate on the export performance of British industry; and if he will make a statement.

Mr. Kenneth Clarke: Export performance is affected by a variety of factors, of which variation in exchange rates is only one. The improved design, quality and reliability of many British products has contributed substantially to our improved competitiveness and export performance in recent years.

Airbus

52. **Mr. Cartiss:** To ask the Chancellor of the Duchy of Lancaster when he last met French and German Ministers to discuss the Airbus project.

Mr. Kenneth Clarke: I last met French and German Ministers to discuss the Airbus programme in Hanover on 5 May. We discussed the reorganisation of Airbus Industrie and co-operation between Airbus Industrie and McDonnell Douglas.

61. **Mr. Colvin:** To ask the Chancellor of the Duchy of Lancaster what progress is being made on the constitutional and financial restructuring of Airbus Industrie in order to make it more publicly accountable.

Mr. Atkins: I and my right hon. and learned Friend the Chancellor of the Duchy of Lancaster met the aerospace Ministers of France and the Federal Republic of Germany and the Spanish ambassador to Germany, representing the aerospace Minister of Spain, in Hanover on 5 May to consider the preliminary response of the Airbus partners to the proposals for restructuring the consortium contained in the report of the four independent experts known as the Airbus "wise men".

We noted with satisfaction that the Airbus partners and Airbus Industrie have responded promptly in studying the wise men's recommendations and reaching agreement in principle to their proposals. We asked the industrialists to start to implement the restructuring without delay with a view to establishing the structure of the new organisation by autumn, with full implementation from the end of 1988 at the latest.

Imports (Voluntary Restraint)

53. **Mr. Fallon:** To ask the Chancellor of the Duchy of Lancaster whether he will consider publishing official estimates of the effects of voluntary restraint arrangements on imports into the United Kingdom.

Mr. Alan Clark: Voluntary restraint arrangements generally seek to limit imports of a particular product or range of products to agreed levels. The effects of such arrangements on imports vary according to the levels and coverage of the agreement, the extent to which it is respected and whether there is scope to switch production to areas that are perceived as less sensitive by the industry. The conditions set in individual voluntary restraint agreements are not published and the advice I received on the impact on imports was based on commercially confidential information.

Advertising

54. **Dr. Reid:** To ask the Chancellor of the Duchy of Lancaster if he will give the amount spent by his Department on advertising for each year since 1984.

Mr. Kenneth Clarke: Information is not readily available for expenditure on advertising other than that spent centrally by my Department.

The figures which are readily available are:

	£ million
1984-85	2·1
1985-86	1·2
1986-87	0·9
1987-88	[1]7·9

[1] provisional.

Budget allocations for advertising during 1988-89 are still under discussion.

British Steel

55. **Mr. Michael Brown:** To ask the Chancellor of the Duchy of Lancaster what representations he has received regarding the proposals to transfer British Steel to the private sector.

Mr. Atkins: I have received a small number of letters from various parties about points of detail. I have received a few representations about the principle of privatisation.

CBI

56. **Mrs. Wise:** To ask the Chancellor of the Duchy of Lancaster when he last met representatives of the Confederation of British Industry; and what was discussed.

Mr. Kenneth Clarke: I refer the hon. Member to the answer I gave earlier today to my hon. Friend the Member for Amber Valley (Mr. Oppenheim).

Small Businesses

57. **Mr. Kirkhope:** To ask the Chancellor of the Duchy of Lancaster what support is being made available to small businesses under the enterprise initiative to encourage innovation in new technology.

Mr. Butcher: Small firms can participate in collaborative research, with other firms, higher education institutions, technology organisations, or Government research establishments. The Department offers grants of up to 50 per cent. of the cost. The teaching company scheme is also available.

Firms with fewer than 200 employees can compete for 100 Awards in the small firms merit award for research and technology (SMART) competition. The awards are for 75 per cent. of the cost of developing a new product or process (up to total costs of £50,000). Applications close on 30 June 1988.

In development areas, firms with fewer than 25 employees can apply for regional enterprise grants. The innovation grant provides 50 per cent. of the agreed project cost up to a maximum grant of £25,000. I will arrange to send my hon. Friend details of these schemes.

Research and Development

58. **Mr. Hunter:** To ask the Chancellor of the Duchy of Lancaster what are the latest figures available for the level of funding for research and development provided by industry.

Mr. Maude: Industry spent £3·6 billion on the research and development which it performed in 1986. The information was contained in an article on the results of the 1986 survey of industrial research and development published in *British Business* on 5 February 1988. A copy of this is in the Library.

74. **Mr. McLeish:** To ask the Chancellor of the Duchy of Lancaster if he is satisfied with the level of spending by industry on research and development.

Mr. Butcher: There are some companies and industries in the United Kingdom whose innovation record is outstanding, but in general the level and growth of British industry's spending on R and D have been lower as a proportion of GDP than its main overseas competitors. The Government have created the right climate to enable industry to invest more in R and D. A major objective of my Department's innovation policy is to encourage industry to fund more of its own R and D and to encourage co-operation between companies and the academic science base, for the purpose of increased wealth creation and competitiveness.

Aerospace Industry

59. **Mr. Jack:** To ask the Chancellor of the Duchy of Lancaster what will be the effects on the United Kingdom aerospace industry of the decision by Her Majesty's Government to proceed with development of the European fighter aircraft.

Mr. Kenneth Clarke: The United Kingdom will have a 33 per cent. share in the development phase of the European fighter aircraft. British Aerospace and Rolls-Royce will be playing a leading role, and major opportunities will be opened up for British industry. The development phase alone will give direct long-term employment to an estimated 3,000-4,000 people in the United Kingdom.

Consumer Goods (Safety)

60. **Mr. Harris:** To ask the Chancellor of the Duchy of Lancaster what measures he has introduced to improve the safety standards applying to consumer goods.

Mr. Butcher: The safety of consumers has been greatly improved by the implementation of the Consumer Protection Act 1987. From 1 October 1987, under the general safety requirement, it became a criminal offence to supply any consumer product that is not reasonably safe. This requirement is closely linked to standards of safety. The European Community directive on product liability, implemented by the same Act, came into force on 1 March 1988 which means that, if defective products reach the market and people are injured by them, it will be much easier to obtain redress through the courts.

In addition to the general safety requirement, the safety of a range of products is covered by specific regulations. New regulations are to be introduced covering the flammability of the upholstered furniture and bedding; and it is the intention to introduce further regulations to implement a number of EC directives, including those covering the safety of toys and certain electical products.

Departmental Offices (Relocation)

62. **Mr. Nicholas Bennett:** To ask the Chancellor of the Duchy of Lancaster what progress has been made in the relocation out of London of offices under his Department's control since 1979.

Mr. Butcher: My Department is making good progress. Some 50 per cent. of the Department is already outside London and plans to relocate at least a further 1,600 posts in the period 1987-91 are being implemented.

Misleading Credit Advertising

63. **Mr. John Marshall:** To ask the Chancellor of the Duchy of Lancaster what progress he is making in his campaign to tackle misleading credit advertising.

Mr. Maude: On 23 March my Department circulated revised draft regulations which simplify and clarify the existing provisions of the Consumer Credit (Advertisements) Regulations and contain important additional safeguards for borrowers, particularly in the area of secured lending. Comments on the draft regulations have been requested by 20 May 1988.

Financial Services Act

67. **Mr. McAllion:** To ask the Chancellor of the Duchy of Lancaster if he will make a further statement on the implementation of the Financial Services Act.

Mr. Kenneth Clarke: Section 3 of the Financial Services Act was brought into force on 29 April. The other principal provisions in the Act, relating to the authorisation and regulation of persons carrying on investment business in the United Kingdom, were also commenced on that date.

Inner City Policy

68. **Mr. Battle:** To ask the Chancellor of the Duchy of Lancaster if he will make a further statement on inner city policy.

Mr. Kenneth Clarke: The Government have stepped up the attack on urban decay and have given priority to encouraging investment in inner city areas through a range of measures amounting to some £3,000 million in 1988-89. They launched a new Action for Cities drive in March 1988 which included a new urban development corporation in Sheffield and the extension of the existing corporation in Merseyside, in addition to the earlier announcement of proposals to establish new corporations in Leeds, central Manchester and Bristol; streamlined grants to encourage the development of inner city land and buildings; more help for small businesses in inner city areas; further Government support for links between schools and employers; new crime prevention initiatives and better inner city roads. Good progress has already been made with these new measures.

My right hon. Friend the Secretary of State for the Environment is very shortly to lay orders before the House to establish the urban development corporations in Leeds, Bristol, central Manchester and Sheffield. Approvals worth over £7 million have been made for projects eligible for city grant.

The first of six new small firms service offices was opened by my hon. Friend the Minister of State, Department of Employment in Sheffield on 19 April. Others are planned for Leicester, Derby, Blackburn, Middlesbrough and Wolverhampton.

My hon. Friend the Minister of State, Home Office launched the first of 20 safer cities crime prevention projects in Wolverhampton on 7 April.

Two successful breakfast presentations to senior business men have been held in Newcastle and Leeds, with others to follow in Manchester, Birmingham, Liverpool and London. They have helped to encourage business interest in inner city regeneration, and nearly 100 companies have made positive offers of help.

Over 40 inquiries have been received from companies, employer groups and other organisations about the schools-industry compacts initiative, and my right hon. Friend the Secretary of State for Employment has written to major employers inviting them to take advantage of development funds available to establish compacts.

Several possible projects have been identified for potential support under the local enterprise agency project scheme. New city action teams based in Leeds and Nottingham, in addition to those already established in Birmingham, Liverpool, London, Manchester and Newcastle upon Tyne are helping to pull together the various Government programmes involved and to sustain the momentum of local regeneration. At neighbourhood level, 16 inner city task forces support projects which open up job and enterprise opportunities for local residents. They have to date made contact with some 400 companies.

Internal Market

69. **Mr. Conway:** To ask the Chancellor of the Duchy of Lancaster what response there has been to the Europe Open for Business campaign.

71. **Mr. Stanbrook:** To ask the Chancellor of the Duchy of Lancaster what response he has had to his plans for preparing British companies for completion of the internal market in 1992.

Mr. Alan Clark: The Government are already taking a number of measures to alert business to the single European market and the vital importance of preparing for it now. These include regional conferences, detailed literature, national advertising and a telephone hotline. The single market campaign will run until 1992 but its exact form will be continually assessed in the light of current needs.

Govan Shipbuilders

73. **Mr. Millan:** To ask the Chancellor of the Duchy of Lancaster if any decision has yet been reached on the possible sale of Govan Shipbuilders; and if he will make a statement.

Mr. Kenneth Clarke: No. British Shipbuilders are still negotiating with Kvaerner Industries.

Space Research

75. **Mr. Wilkinson:** To ask the Chancellor of the Duchy of Lancaster if he will make a further statement on his policy towards British participation in space research projects.

Mr. Kenneth Clarke: I have nothing to add to the answer I gave to my hon. Friend the Member for Corby (Mr. Powell) on 18 April 1988 at columns *350-51*.

Car Production

76. **Mr. Tredinnick:** To ask the Chancellor of the Duchy of Lancaster what are the latest figures for car production in the United Kingdom.

Mr. Atkins: Provisional figures indicate that production of passenger cars in March 1988 was 106,000 units, seasonally adusted.

Timber Industry

79. **Mr. Ron Davies:** To ask the Chancellor of the Duchy of Lancaster when he last met representatives of the timber industry to discuss the future of home-produced timber; and if he will make a statement.

Mr. Atkins: My ministerial colleagues and I are in close touch with representatives of markets for home-produced and other timber, but I have not yet met representatives of the producers of such timber.

Spearhead Single Market Database

80. **Mr. Gwilym Jones:** To ask the Chancellor of the Duchy of Lancaster what type of information will be made available to business through the Spearhead single market database.

Mr. Alan Clark: The Spearhead database gives information on current and prospective measures in the single market programme and gives access to the full texts of the relevant Community legislation. It provides details of measures which have been adopted by the Community, but which have not yet entered into force; summaries of proposals under discussions, together with contacts in the appropriate Government Departments; and information on other proposals which the Commission has said it intends to table between now and 1992.

Balance of Trade (West Germany)

81. **Mr. Morgan:** To ask the Chancellor of the Duchy of Lancaster what is the most recently available figure for the balance of trade with West Germany.

Mr. Alan Clark: In the 12 months to March 1988, United Kingdom visible trade with FR Germany was in deficit by £6·8 billion on the overseas trade statistics basis.

Schools and Industry

82. **Mr. Chapman:** To ask the Chancellor of the Duchy of Lancaster what progress he is making towards achieving his specific objectives for forging closer links between schools and industry.

Mr. Butcher: A number of measures to forge closer collaborative links between industry and schools were announced as part of the enterprise initiative in the White Paper "DTI—the department for Enterprise" published on 12 January 1988. Three new targets were set:

—every year, 10 per cent. of teachers should have the opportunity to gain some personal experience of the world of business;

—every young person should have two or more weeks of work experience, suited to his or her ability and needs, before leaving school;

every trainee teacher should gain an appreciation of the needs of employers and the importance of links between schools and employers.

In addition, the Government's policy statement "Action of Cities", announced by the Prime Minister on 7 March contained a range of initiatives including the Department of Employment's proposals to develop compacts, initially in 12 of the urban programme areas. My Department will be working closely with DES and MSC to foster these partnerships and a wide range of other links between schools and business.

British Shipbuilders

84. **Mr. Maxton:** To ask the Chancellor of the Duchy of Lancaster what representations he has received on the future of British Shipbuilders.

Mr. Kenneth Clarke: I have received a number of representations.

86. **Mr. Michael:** To ask the Chancellor of the Duchy of Lancaster when he last met the chairman of British Shipbuilders; and what was discussed.

Mr. Kenneth Clarke: I remain in close touch with the chairman of British Shipbuilders on the full range of issues currently of concern to the corporation.

100. **Mr. Mullin:** To ask the Chancellor of the Duchy of Lancaster when he last met the chairman of British Shipbuilders; and what matters were discussed.

Mr. Kenneth Clarke: I remain in close touch with the chairman of British Shipbuilders on the full range of issues currently of concern to the corporation.

Rating Reform

85. **Mrs. Ray Michie:** To ask the Chancellor of the Duchy of Lancaster if he will discuss with the Post Office Director of Counters the practicality of making poll tax payable through post offices.

Mr. Butcher: This would be a commercial matter for negotiation between the Post Office and the statutory levying authorities and I have no plans to discuss it with the Post Office.

Manufacturing

87. **Mr. Irvine:** To ask the Chancellor of the Duchy of Lancaster what has been the increase in manufacturing productivity in Britain since 1979; and what is the comparable record of the United Kingdom's major industrial competitors.

Mr. Butcher: Between 1979 and 1987, output per head in the manufacturing sector increased by 37 per cent. The comparable increases for our major competitors are:

	Percentage
Italy[1]	35
USA	31
Japan	26
Canada	24
France[1]	19
Germany	16

[1] First three quarters of 1987 only.

Source:
United Kingdom: CSO.
Other countries: OECD and IMF.

96. **Mr. Knox:** To ask the Chancellor of the Duchy of Lancaster what is the most recent figure for output in manufacturing industry; and what was the figure for the same months 14 years ago.

Mr. Butcher: In February 1988 manufacturing output was at a level of 110·3, based on 1980 equal to 100. This

is over 1 per cent, higher than the level of 109·0 for February 1974. But my hon. Friend will appreciate that monthly data can be erratic. A firmer basis for comparison would be that in the three months to February 1988, manufacturing output was over 2 per cent. higher than in the same period 14 years ago and over 21 per cent. higher than in the trough of the recession in 1981.

Local Businesses

88. **Mr. Tim Smith:** To ask the Chancellor of the Duchy of Lancaster what steps he has taken to improve communications between his Department and business at a local level.

Mr. Atkins: The close communications which my Department's regional offices already maintain with business is being reinforced at the local level by the opening of some 24 satellite offices throughout England making 35 local offices in all. DTI regional offices have a particular responsibility for marketing the DTI services for business described in the White Paper "DTI — the department for Enterprise" laid before the House in January and to which business response has been excellent.

In addition, 16 task forces and eight city action teams have been set up part of whose role is to assist companies wishing to become involved in urban regeneration. With Ministers from other Departments I am meeting senior representatives of business and industry at a series of working breakfasts to highlight opportunities for them in the inner cities.

Inner City Renewal

90. **Mr. Andrew Hargreaves:** To ask the Chancellor of the Duchy of Lancaster how he plans to increase further private sector investment in inner city renewal.

Mr. Kenneth Clarke: The Government will encourage greater private investment in inner cities through the new and expanded urban development corporations, city grant, which bridges the gap between cost and profitability and by other new measures aimed at small firms, including support under the enterprise initiative to help inner city businesses improve their performance. We also intend to increase the supply of managed accommodation for new businesses in inner cities through English Estates. Locally, city action teams and task forces will continue to work in partnership with business. Ministers are giving a series of breakfast presentations to senior business men in major cities to give companies practical advice about how they can help the drive to make the deprived districts of their own city more prosperous and how the Government can support them.

Council of Ministers (Shipbuilding)

91. **Ms. Quin:** To ask the Chancellor of the Duchy of Lancaster when he last discussed shipbuilding within the European Community's Council of Ministers; and what was the content of the discussions.

Mr. Kenneth Clarke: I last discussed shipbuilding matters in the Council of Ministers in December 1987. The topic was the Renaval programme of assistance to regions affected by the Community-wide decline in merchant shipbuilding. At that meeting I pressed hard for rapid progress to be made on the scheme. Detailed negotiations are continuing.

Departmental Advertising

93. **Mr. Roger King:** To ask the Chancellor of the Duchy of Lancaster what are the principal objectives of his Department's advertising and promotional activities.

Mr. Kenneth Clarke: The emphasis of DTI policies as set out in the White Paper "DTI—the department for Enterprise" is on transferring information particularly to small and medium sized companies. Advertising and related promotional activities are quick and efficient ways of achieving improved communications with business. We are particularly seeking to improve business managers' knowledge of the services available to companies under the enterprise initiative, the variety of ways in which companies can work with Government in regenerating inner cities, the need to prepare for the European single market in 1992 and the opportunities for trade and investment in Japan.

101. **Mr. Bradley:** To ask the Chancellor of the Duchy of Lancaster what is his Department's planned spending on *(a)* television advertising and *(b)* press advertising in the current year.

Mr. Butcher: The overall press and television advertising plans for DTI in the current year are still under discussion. Major commitments during the first three months of 1988-89 are as follows:

	Television £ million	*Press £ million*
Single European Market Campaign	3·8	0·62
Enterprise Initiative Campaign	—	0·63

Mergers

94. **Mr. Hayward:** To ask the Chancellor of the Duchy of Lancaster what has been the response to his recent paper on the policy and procedures of merger control.

Mr. Kenneth Clarke: The paper set out the conclusions of the review of mergers policy, and took account of views submitted during the course of the review. The main lines of these conclusions have been known for some time, and have attracted some public comment; but the paper did not formally invite responses, and my Department has received none.

Privatisation

95. **Mr. Barron:** To ask the Chancellor of the Duchy of Lancaster what assessment he has made in planning his policy on privatisation of industries for which he is responsible of the extent to which standards of service to customers have been maintained in privatised industries.

Mr. Kenneth Clarke: The circumstances surrounding each privatisation are different and all relevant factors are taken into account in the planning of each new privatisation. However, I believe that standards of service to customers are more likely to be improved when the management of the business has full commercial freedom and is exposed to the pressures of a competitive market.

Chemicals Industry

97. **Mr. Brazier:** To ask the Chancellor of the Duchy of Lancaster what forecasts he has for the level of new investment in the chemicals industry in 1988.

Mr. Atkins: The Chemical Industry Association's investment intentions survey for 1988 shows that capital spending in the chemical sector in 1988 is expected to rise to £1,740 million, which allowing for inflation is an increase of nearly 19 per cent. on 1987.

Consumers Association

98. **Mrs. Golding:** To ask the Chancellor of the Duchy of Lancaster when he last met the chairman of the Consumers Association; and what was discussed.

Mr. Butcher: I met the chairman and director general of the Consumers Association on Wednesday 23 March and we discussed a number of topics relevant to consumers.

Business (Best Practice)

99. **Mr. Page:** To ask the Chancellor of the Duchy of Lancaster what plans he has to promote best practice to British business.

Mr. Atkins: The enterprise initiative is a national programme which aims to raise the performance of management by promoting the use of best practice. The key element in the enterprise initiative is the six consultancy initiatives, covering marketing (including export marketing), design, quality, manufacturing systems, business planning, and financial and information systems. Their aim is to improve management skills in these key areas in small and medium-sized firms by encouraging them to use specialist outside advice.

Other elements of the enterprise initiative, notably the business and education initiative and the research and technology initiative, are also concerned with technology transfer and encouraging the promotion of best practice throughout industry and commerce.

Investment and Job Creation

102. **Mr. Hardy:** To ask the Chancellor of the Duchy of Lancaster what steps he is taking to ensure that investment and the creation of employment will be secured in areas of high unemployment which have recently been classified as requiring the maximum level of regional support.

Mr. Atkins: The DTI, through its recently launched enterprise initiative, offers a range of incentives to encourage business development throughout the country. Regional selective assistance is available for investment projects undertaken by firms in assisted areas; regional enterprise grants are available for small firms in development areas with fewer than 25 employees to support investment and innovation projects; and in all asssisted and urban programme areas the DTI will pay two thirds of the cost of consultancy projects in marketing, design, quality, manufacturing systems, business planning, and financial and information systems.

Drug Companies

103. **Mr. Franks:** To ask the Chancellor of the Duchy of Lancaster what was the level of capital investment by Britain's drug companies in *(a)* 1987 and *(b)* 1986.

Mr. Atkins: In 1986, the latest year for which investment data by industry are available, the net capital expenditure in the pharmaceutical products industry was £396 million, at current prices. The comparable figure for 1985 is £346 million.

Source: Annual Census of Production.

British National Space Centre

104. **Mr. Batiste:** To ask the Chancellor of the Duchy of Lancaster whether he has any proposals to strengthen the British national space centre.

Mr. Kenneth Clarke: As announced in my answer to my hon. Friend the Member for Corby (Mr. Powell) on 18 April 1988 at columns *350-51*, Mr. Arthur Pryor has been appointed director general of the British national space centre. He will be reviewing the effectiveness of the centre as part of his new responsibilities.

Robots

105. **Mrs. Ann Taylor:** To ask the Chancellor of the Duchy of Lancaster what is the level of usage of robots in British industry; and what equivalent information he has about other Organisation for Economic Co-operation and Development countries.

107. **Mr. Cousins:** To ask the Chancellor of the Duchy of Lancaster what is the level of usage of robots in British industry; and what equivalent information he has for other Organisation for Economic Co-operation and Development countries.

Mr. Butcher: Robots in use in British industry numbered 4,303 at the end of 1987. This shows a total increase of 14·5 per cent. and an increased growth rate of 30 per cent. on the previous year's figures.

The table shows the level of usage of robots in the OECD countries in 1986. The figures are produced by the International Federation of Robotics.

Country	*Robots in use in 1986*
Australia	800
Austria	250
Belgium	1,050
Denmark	210
Finland	336
Germany	12,400
France	5,273
Italy	5,000
Japan	118,000
Netherlands	630
New Zealand	42
Norway	396
Spain	854
Sweden	2,383
Switzerland	382
United Kingdom	3,683
United States of America	25,000
Canada	[1]1,753

[1]at the end 1983.
Source: AFRI.

No figures are available for the following OECD countries:

Greece	Luxembourg
Iceland	Portugal
Ireland	Turkey

New Car Sales

106. **Mr. Janman:** To ask the Chancellor of the Duchy of Lancaster what was the level of new car sales for the first quarter of 1988.

Mr. Atkins: There were 584,832 new cars registered in the United Kingdom in the first quarter of 1988.

Rover Group

108. **Mr. Yeo:** To ask the Chancellor of the Duchy of Lancaster what recent representations he has received regarding the proposed takeover of Rover Group by British Aerospace.

Mr. Kenneth Clarke: Since my statement on 29 March we have received 25 letters on this subject.

Scotch Whisky

109. **Mrs. Margaret Ewing:** To ask the Chancellor of the Duchy of Lancaster what progress is being made to ensure the implementation of GATT agreements with Japan to protect the Scotch whisky industry from discriminatory import taxation.

Mr. Alan Clark: This issue was high on the agenda when my right hon. Friend the Prime Minister met the Japanese Prime Minister, Mr. Takeshita, last week. Mr. Takeshita was left in no doubt that we attach the greatest importance to a speedy resolution of this problem, with the introduction of a non-discriminatory tax system which allows Scotch whisky to compete on equal terms with other spirits. He undertook to take a personal interest in the resolution of this issue.

Confectionery Companies

110. **Sir John Farr:** To ask the Chancellor of the Duchy of Lancaster if he will make it his policy to prevent the acquisition of British confectionery companies by Swiss interests.

Mr. Kenneth Clarke: No. Each individual case will be for consideration in the normal way under the provisions of the Fair Trading Act.

Investigation Policy

Mr. Hargreaves: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on his policy on investigation under the Companies Act 1985 and the Financial Services Act 1986.

Mr. Maude: My right hon. Friend the Secretary of State for Trade and Industry has been reviewing the investigation powers and procedures under these Acts in the light of recent experience of operating them.

Fair and efficient markets depend on effective enforcement of the law and of self-regulatory requirements. Investigation powers have a key role to play in this. Their purpose is to discover the facts so that, if there has been misconduct, appropriate prosecution or regulatory action can be taken. The value of the existing powers is demonstrated by the results obtained. In the last two years, for example, following investigations under the Companies Act, criminal proceedings were brought in 28 cases involving the management of 47 companies and leading to penalties ranging from fines to, in one instance, imprisonment for 15 years. In addition, 61 companies were wound up in the public interest and nine people were disqualified from acting as directors. In the relatively short time that the Financial Services Act investigation powers have been in force, two people have been convicted of insider dealing as a direct result of investigations by inspectors, and legal proceedings are in train in two further cases.

These results demonstrate the contribution which the investigation powers make to the detection of malpractice. But, of course, not all investigations reveal malpractice. Their purpose is to find out the facts so that decisions can be taken on whether further action is needed. None of the investigation powers can be used unless there is a good reason. Some of the powers have higher thresholds. There is no question of the Secretary of State having the power to undertake "witch hunts", as has been suggested. But when in my judgment the statutory criteria are met, the Department will continue to use the powers when circumstances make it appropriate to do so. In exercising my discretion, we shall apply the same broad standards as our predecessors have done.

My Department has recently completed a review of existing investigation powers and procedures with a view to ensuring that investigations are undertaken as effectively and quickly as is compatible with a thorough and fair inquiry.

The review concluded that in general the present range of powers matched the different purposes and circumstances of investigation required in the United Kingdom, but that there was a need for more scope and flexibility in the way they could be used and for clarification of some of the provisions to improve efficiency.

Accordingly, it is intended to introduce the proposed changes to the law at the next convenient opportunity:—

(i) enabling the general powers of company investigation under Section 432 of the Companies Act also to be used in certain cases (broadly suspected fraud, misfeasance or misconduct) when the prime purpose is to consider the case for prosecution or regulatory action and there is no intention to publish a report;

(ii) strengthening various powers, including extending the existing powers to seek a search warrant for relevant books and papers and (subject to the Secretary of State's approval) to obtain information about relevant bank accounts, and tidying up the provisions on freezing share dealings;

(iii) extending the existing powers to recover the cost of investigations from persons who are convicted on a prosecution instituted as a result of an investigation;

(iv) enabling the Secretary of State to appoint outsiders to undertake inquiries under Section 447 of the Companies Act;

(v) simplifying the exchange of information between DTI investigators involved in different cases;

(vi) enabling the Secretary of State to terminate insider dealing investigations when no further purpose would be served by continuing and to terminate Companies Act inspections when it is more appropriate for further action to be handled by the serious fraud office or, in Scotland, through the Lord Advocate.

The review also concluded that, because of growing international links in corporate activity, and to help improve mutual co-operation with other countries, it would be helpful if the United Kingdom could do more than at present to assist overseas regulators. We are therefore also considering whether to introduce provisions for the Secretary of State to exercise powers to assist overseas regulatory authorities in some situations in which he cannot at present, when he is satisfied there is good reason to do so. We will bring forward proposals in due course if we do decide to proceed.

Additionally, steps will be taken to ensure more guidance and support for outside inspectors, closer working between DTI staff and outside inspectors and more use of criminal lawyers in investigation work.

My right hon. Friend the Secretary of State for Trade and Industry has also reviewed the practice on announcing investigations. In the case of major investigations with a wider public interest, mounted under sections 432 and 442 of the Companies Act, that normally lead to a published report, it is clearly right to announce these when they are set up. This is existing practice as regards investigations into public companies, and I propose to extend it to such investigations into private companies. Inquiries under section 447 are much more limited in scope and are intended only to look at the books and papers of a company and seek explanations of them. It has never been the practice to announce these and the Department is satisfied that this should continue to be the case. Public announcement would undermine the effectiveness of the inquiries and would unduly damage the business of the companies concerned. We would consider confirming the existence of such an inquiry only if it had already been announced by the company concerned and no further prejudicial consequence was involved in such confirmation. The same applies to inquiries under section 105 of the Financial Services Act.

Insider dealing investigations under section 177 of the Financial Services Act involve independent inspectors, but the reports are not published. The purpose is to ascertain whether there has been a contravention of the Company Securities (Insider Dealing) Act 1985 and in appropriate cases the investigation may lead to prosecution. We have decided that, in the main, the interests of efficiency and justice are best served by not normally announcing or confirming these investigations. However, the Department will consider making an announcement if it is in the public interest, for example, if public officials are thought to be involved or if there has already been publicity for an investigation and we judge that it would be less damaging to the individuals or organisations concerned and appropriate in the circumstances if I were to acknowledge the existence of an investigation.

Finally, the Department has reviewed the resources available within my Department for investigation and related work. Resources have been considerably increased over recent years and the results are now beginning to be seen as staff gain experience. My right hon. Friend the Secretary of State for Trade and Industry has concluded that a further increase in resources devoted to this work is needed in order to speed up the handling of the cases. He has also decided that to improve co-ordination, key enforcement activities of the Department should be brought together in one division. These functions include decisions on cases where it is appropriate to undertake investigations under the powers in the Companies and Financial Services Acts; carrying out investigations under section 447 of the Companies Act; liaison with outside inspectors; determination of appropriate action when reports are received; and the prosecution of offences for which the Department has particular responsibility, including insider dealing and other offences under the companies legislation, and insolvency offences.

Energy Efficiency

Mr. Rowlands: To ask the Chancellor of the Duchy of Lancaster what are his Department's target reductions in energy usage for 1988-89; what is his Department's target reduction in electricity usage for lighting in 1988-89; and what investment his Department is planning to make in new energy-efficient lighting equipment in 1988-89 to achieve those target reductions.

Mr. Butcher: My Department has set a target reduction of 5 per cent. in energy usage for 1988-89; the target for electricity usage for lighting is 7 per cent. Investment in energy-efficiency measures, including the introduction of energy-efficient lighting equipment, will amount to £228,000 in 1988-89.

TRANSPORT

Motorway Network

Mr. Pawsey: To ask the Secretary of State for Transport what plans he has to extend the motorway network.

Mr. Peter Bottomley: We are continuing to develop the motorway network to meet both present and future traffic needs. We have 60 miles of new motorway and motorway improvements currently under construction. We plan to start work on a further 150 miles over the next five years.

Traffic Growth

Mr. Pawsey: To ask the Secretary of State for Transport what his Department's estimates are for traffic growth in 1990, 1995 and 2000.

Mr. Peter Bottomley: The Department's estimates of traffic growth between 1987 and the dates requested are as follows:

	Low growth per cent.	*High growth per cent.*
1987-1990	4	8
1987-1995	9	19
1987-2000	12	28

The estimates are presented as a range to reflect uncertainty about factors underlying traffic growth, such as GDP and fuel prices. They are based on the forecasts given in "National Road Traffic Forecasts, 1984", issued by the Department in March, 1985.

The Department's forecasts are of long-term growth, and cannot sensibly be used to forecast annual growth rates in specific future years.

1987 has been used as a base year because that is the latest year for which observed national traffic data are available. It is normal practice to base forecasts on the latest available traffic data, so that they take account of all past trends.

Road Improvements

Mr. Pawsey: To ask the Secretary of State for Transport how he plans to ensure that plans for road improvements keep pace with traffic growths up to the year 2000.

Mr. Peter Bottomley: We are continuing to develop the trunk road network. We have a large new construction and

improvement programme worth some £5 billion. It is regularly reviewed. Schemes are added as the need is identified.

Humberside Airport

Mr. Michael Brown: To ask the Secretary of State for Transport what information he has on the plans of the Civil Aviation Authority to carry out a formal investigation, with a view to prosecution of officials of Humberside airport and on the response to such plans from the general manager of the airport: and if he will make a statement.

Mr. Peter Bottomley: We understand that the Civil Aviation Authority has no plans for investigation or prosecution of Humberside airport officials.

Motor Cycles (Leg Protectors)

Mr. Latham: To ask the Secretary of State for Transport if he will make a statement on the comments which he has received from individual motor cyclists and from the British Motorcyclists Federation, regarding his proposals for leg protectors; and what response he has made.

Mr. Peter Bottomley: We welcome the stimulus to research by motor cycle manufacturers into the serious problem of leg injuries that has resulted from the widespread public debate about suitable protector design. Over 13,000 motor cyclists a year receive in-patient hospital treatment following road accidents, most of these accidents occur at low speeds—under 30mph. Over 60 per cent. of the serious injuries they suffered were to their legs, often leading to permanent disability. We circulated a draft specification for leg protectors to interested organisations for comments last July. This has generated a great deal of correspondence, including co-ordinated letter-writing campaigns. Unfortunately, some of the criticism was ill-informed.

We propose to work closely with manufacturers and other expert bodies over the next year in developing solutions to the leg injury problem. A letter has gone to the organisations consulted last July outlining how the research is to be carried forward over the next 12 months and making it clear that they will be included in consultation on the fruits of this co-operative effort next summer. Copies are available in the Library.

The Department will wish to be thoroughly assured of the safety benefits of any specification, whether the proposal that emerges is recommended as a requirement for all new vehicles, or might be prescribed as a safety standard for manufacturers to use when offering leg protectors as an option to their customers.

Plutonium

Mr. Darling: To ask the Secretary of State for Transport, pursuant to the answer to the hon. Member for Carmarthen (Mr. Williams) 8 March, *Official Report*, Columns *27-28*, what is the maximum velocity of impact that flasks carrying plutonium are expected to withstand under the most stringent current international standards.

Mr. David Mitchell: The International Atomic Energy Agency regulations require flasks to withstand a free drop of 9 m with a terminal velocity of 30 mph, on to any unyielding target. This is equivalent to an impact of about 65 mph on to hard rock or 75 mph on to concrete. The IAEA is currently reviewing these standards in relation to the transport of plutonium by air. In the meantime, British Nuclear Fuels plc is designing a flask to meet the United States regulatory criteria which involve an impact velocity of 288 mph.

Transport Infrastructure Projects

Mr. McCrindle: To ask the Secretary of State for Transport what guidelines on the scope of possible projects he has given to private sector companies considering making proposals for private sector-sponsored transport infrastructure projects; and if he will make a statement.

Mr. Peter Bottomley: My right hon. Friend has written to a number of prominent firms in the finance and construction industries inviting their ideas in general terms on the possibilities for private sector infrastructure projects. He has asked them to put forward ideas for building and operating infrastructure in ways which are more cost-effective than current methods and preferably to look for novel concepts which will complement existing and planned public sector provision. The firms have also been provided with a copy of the paper which the Government put to the civil engineering EDC clarifying the Ryrie rules.

Mr. McCrindle: To ask the Secretary of State for Transport what specific proposals from private sector companies for private sector sponsored transport infrastucture projects he has received since 1 January; and if he will make a statement.

Mr. Peter Bottomley: My right hon. Friend has received a number of ideas on privately funded infrastructure projects this year including suggestions for:

—a road tunnel under the Thames
—a second tier on the M25
—a rail link to the Channel tunnel
—improvements to the public transport surface access to Heathrow airport
—a light rapid transit system for Avon.

A large number of more general ideas have also been put forward recently, largely in response to my right hon. Friend's letter of March 28 to firms in the finance and construction industries inviting their views on privately financed transport infrastructure projects.

London Underground

Mr. Dobson: To ask the Secretary of State for Transport on how many occasions in each of the past five years people have fallen in front of London Underground trains.

Mr. David Mitchell: The table shows how many incidents have been reported where people have fallen under trains on all the lines of London Underground Limited during the last four years. Figures for 1983 are not readily available.

	1984			1985			1986			1987		
	Fatal	Major	Minor	Fatal	Major	Minor	Fatal	Major	Minor	Fatal	Major	Minor
Trespassers	19	10	5	19	9	5	15	9	—	20	1	4
Suicides	22	3	—	24	10	1	33	6	—	20	10	1
Others	1	—	—	4	—	—	3	4	—	1	—	[1]76
Totals	42	13	5	47	19	6	51	19	—	41	11	81

[1] A new reporting order was introduced from 1 January 1987 which has resulted in more comprehensive reporting of minor injuries.

Channel Tunnel

Mr. Warren: To ask the Secretary of State for Transport what assurances he has received from British Rail as to whether the planned fleet of high speed passenger trains operating through the Channel tunnel will be able to use existing British Rail lines; and if he will make a statement.

Mr. David Mitchell: It is an essential in the specification for these trains that they must be able to operate satisfactorily on existing electrified British Rail lines.

AGRICULTURE, FISHERIES AND FOOD

Cereals

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food what is the estimated increase or decrease in production in percentage terms of *(a)* wheat, *(b)* barley and *(c)* maize in 1988 by comparison with 1987 (i) in the United Kingdom and (ii) in the EEC as a whole.

Mr. Donald Thompson: Given the significance of the weather for cereal yields, it is not possible to produce a reliable forecast of United Kingdom cereal production before the harvest. However, the latest forecasts of Community production of cereals in 1988 produced by the European statistical office show the following changes when compared with the provisional production figures for 1987:

	Percentage change
Common Wheat	7·7
Durum Wheat	−3·1
Barley	1·0
Maize	5·4
Other Cereals	0·6

Forestry Commission

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food if all Forestry Commission district offices in England have been circulated with a copy of the statement made by the Secretary of State for the Environment on behalf of their two Ministries on 16 March and whether the Forestry Commission has issued instructions to all districts on the implementation of the guidelines contained in that statement.

Mr. MacGregor: I confirm that a copy of the statement was sent to all Forestry Commission forest district offices in England on 16 March. Further instructions to the forest districts must await the guidance letter which I promised in the statement and which is in preparation. In the meantime, the commission is delaying decisions on grant applications likely to be affected by the new policy.

Bovine Somatotropin

Mr. Gareth Wardell: To ask the Minister of Agriculture, Fisheries and Food if his Department has any evidence of morbidity in babies resulting from the drinking of milk from animals treated with bovine somatotropin.

Mr. Donald Thompson: My Department has no such evidence.

Mr. Colvin: To ask the Minister of Agriculture, Fisheries and Food when the trials being carried out at the AFRC Institute for grassland and animal production on bovine somatotropin will be completed; and if he will make a statement.

Mr. Donald Thompson: Field trials on bovine somatotropin (and all other medicinal products) must be conducted under the authority of an animal test certificate issued under the Medicines Act 1968. Such certificates are granted for two years but are normally renewable. I cannot, at this stage, therefore, give a completion date.

Mr. Colvin: To ask the Minister of Agriculture, Fisheries and Food if he is yet in a position to draw up guidelines for the commercial administration of bovine somatotropin, including monitoring of performance and health.

Mr. Donald Thompson: We are not yet in a position to draw up such guidelines.

Data Protection

Mr. Chris Smith: To ask the Minister of Agriculture, Fisheries and Food what revenue has been received by his Department since 11 November 1987 from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984.

Mr. Donald Thompson: My Ministry charges fees for subject access to personal records, only for requests from members of the public, not from employees. To date, no requests for access have been received from members of the public and, therefore, no revenue has been received.

Mr. Chris Smith: To ask the Minister of Agriculture, Fisheries and Food how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by his Department he has received since 11 November 1987.

Mr. Donald Thompson: To date, my Ministry has received 37 applications for subject access to personal data. The applications relate to a total of 121 registrations under the Act and all have been from Ministry employees.

Badgers

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food how many of the badgers taken in each parish for 1986 and 1987, respectively, were subsequently found to be carrying tuberculosis.

Mr. Donald Thompson: The number of badgers found to be positive for bovine tuberculosis on post mortem are shown in the following table.

Parishes where badgers may be removed automatically

County and Parish	1986	1987
Avon		
Batheaston	0	[1]0
Cold Ashton	2	1
English Combe	0	[1]0
Hawkesbury	0	2
St. Catherine	0	[1]0
Cornwall		
Camborne	[1]0	1
Helland	0	[1]0
Kirkhampton	[1]0	10
Linkinhorne	[1]0	2
Ludgvan	[1]0	0
Michaelstow	0	[1]0
Merwenstowe	[1]0	0
Sancreed	3	[1]0
South Hill	2	2
Stithians	2	[1]0
Stoke Climsland	[1]0	0
St. Gulvias	2	[1]0
St. Just	8	[1]0
St. Neot	0	[1]0
St. Veep	[1]0	9
Wendron	0	7
Devon		
Hartland	[1]0	0
Manaton	[1]0	8
Dorset		
Cheselbourne	0	1
Stoke Abbott	[1]0	3
Gloucestershire		
Alderley	[1]0	0
Bisley with Lypiatt	2	1
Boxwell with Leighterton	[1]0	8
Coates	[1]0	0
Edgeworth	0	0
North Nibley	1	[1]0
Nympsfield	0	[1]0
Painswick	[1]0	2
Prestbury	3	0
Standish	11	[1]0
Stinchcombe	2	[1]0
Stroud	[1]0	2
Uley	0	1
Whittington	3	[1]0
Wotton Under Edge	[1]0	10
Somerset		
Cheddar	[1]0	0
Wiltshire		
Box	7	0
Compton Bassett	1	[1]0
North Wraxall	6	[1]0
Dyfed		
Bettws Evan	[1]0	0
Llangeler	0	0

Parishes where prior approval of the Consultative Panel on Badgers and Tuberculosis is required before removal

Avon		
Pucklechurch	0	[1]0
Cornwall		
Davidstowe	[1]0	3
Menheniot	[1]0	0
St. Martin	[1]0	0
Devon		
Holsworthy	[1]0	8
Milton Damerel	[1]0	1
Sutcombe	[1]0	3
Thornbury	[1]0	0
Gloucester		
Brookthorpe	[1]0	0
Duntisbourne Rouse	[1]0	7
Moreton Valence	4	0
Somerset		
Rodney Stoke	[1]0	0
Westbury sub Mendip	[1]0	2
Wiltshire		
Brokenborough	[1]0	2
Malmesbury St. Paul without	[1]0	0
Sherston	[1]0	0
Dyfed		
Llanddarog	[1]0	0
Llanwinio	[1]0	0

[1] Denotes no badgers removed.

EMPLOYMENT

London Docklands

Mr. Leighton: To ask the Secretary of State for Employment what action he is taking to locate the Docklands liaison group in the Docklands.

Mr. Nicholls: There are no plans to re-locate the London docklands liaison group in the area covered by the London Docklands Development Corporation.

A decision has been taken to retain the London docklands liaison group in the current location (Aldgate) because of its close proximity to the LDDC area and the operational advantages of being co-located with MSC's east London area office.

Training Schemes

Mr. Leighton: To ask the Secretary of State for Employment what are the main differences between the new job training scheme and the proposed new adult training programme.

Mr. Nicholls: Employment training combines the best features of a number of the existing programmes it will replace, including the community programme and the new job training scheme. A major new feature will be the training agent, who will carry out an objective initial assessment for each entrant and draw up a personal action plan, agreed with each individual, which will form the basis of their training programme. Employment training will be more flexible than new JTS, enabling participants to progress through a wide range of training options. These will include project-based training, enterprise training, placements with employers and an entitlement to at least 40 per cent. off-the-job training. The emphasis will

be on quality and wherever possible, training will lead to a recognised vocational qualification, or a credit towards one.

Community Programme

Mr. Leighton: To ask the Secretary of State for Employment what would the community enterprise programme wage be now had it been increased in line with inflation since its inception.

Mr. Nicholls: The maximum average wage payable to adult employees on the community enterprise programme was £83 per week at its inception in April 1981. This would have risen to £116·60 per week if the programme still existed and the wage had risen in line with inflation.

The community enterprise programme was superseded by the community programme in October 1982.

Ms. Short: To ask the Secretary of State for Employment whether community programme workers joining after 1 March and eligible to transfer to the new adult employment training scheme in September will incur benefit penalties if they leave at the end of their period of six months on wages.

Mr. Nicholls: I refer the hon. Member to the reply I gave to the hon. Member for Worsley (Mr. Lewis) on 24 March 1988, at column 164.

Mr. Leighton: To ask the Secretary of State for Employment why the MSC has withdrawn funding and support for the training programme for black community programme managers in Birmingham; and if he will make a statement.

Mr. Nicholls: A training course to help black people to set up as independent sponsors of projects under the community programme commenced on 10 August 1987. The course is jointly sponsored by the MSC, Handsworth task force and the city of Birmingham local authority. The MSC has not withdrawn funding. The course reached its scheduled completion date on 6 May 1988.

The MSC is arranging for the trainees involved in this course to be employed by community programme sponsors.

Blind Persons (Reader Service)

Mr. Leighton: To ask the Secretary of State for Employment how many people have used the personal reader service for the blind in each year since its introduction.

Mr. Nicholls: The personal reader service for the blind was introduced into YTS in April 1986. in 1986-87, four trainees used the service, and in 1987-88 a further three. The service was introduced into new JTS in November 1987: no one on that scheme has used the service so far.

Restart Programme

Mr. McLeish: To ask the Secretary of State for Employment if he will provide figures of the cost of the restart programme for the financial years 1986-87 and 1987-88, and an estimate of the cost of the programme for 1988-89; and what criteria and evaluative techniques are used to measure the success of the programme.

Mr. Lee: The main aim of the restart counselling programme is to contact all long-term unemployed people and to offer them positive help back to work.

The main measures of success of the programme are the number of long-term unemployed people contacted, the number interviewed, and the percentage of those interviewed who are offered positive help. This information is collected monthly.

Between July 1986 and March 1988, some 4·4 million people were contacted, 3·5 million interviewed and 89 per cent. of those offered positive help.

The costs of the counselling programme are as follows:

1986-87	£22 million.
1987-88	£40 million (estimated outturn).
1988-89	£41 million (estimate).

Labour Statistics

Mr. McLeish: To ask the Secretary of State for Employment if he will provide monthly figures from June 1986 to the most recent date for which information is available for *(a)* the number of employees in employment for each of the standard regions, *(b)* the unemployment figures by claimant count for each of the standard regions, *(c)* an estimation of how much of the reduction in unemployment by claimant count is a result of (i) people moving into full-time work, (ii) people moving into part-time work, (iii) community programmes and other adult schemes, (iv) people being removed from the claimant count by being offered other state benefits, (v) restart interviews leading to people removing themselves from the claimant count without work or training destination and (vii) people leaving the register as a result of claims investigations.

Mr. Lee: Following is the available information. Table A gives the number of employees in employment, which is available only quarterly, for each of the standard regions in the United Kingdom from June 1986 to the latest available date. Table B similarly shows seasonally adjusted adult unemployment monthly from June 1986.

The information requested in part *(c)* is not available. It is impossible to make reliable estimates of the effect on the changes in the unemployment count of the various potential influences. During the period of strong economic growth and an improving jobs market, such as we are currently experiencing, many more people are encouraged to look for work. Some of the jobs were taken by people who were not previously unemployed claimants.

Table A

Total Employees in Employment — *Not Seasonally Adjusted Thousands*

	South East	*Greater London*	*East Anglia*	*South West*	*West Midlands*	*East Midlands*	*Yorks and Humber*	*North West*	*North*	*Wales*	*Scotland*	*Northern Ireland*
1986												
June	7,349	3,467	762	1,566	2,017	1,518	1,786	2,262	1,078	861	1,888	489
September	7,363	3,467	775	1,577	2,037	1,514	1,789	2,271	1,081	863	1,886	488
December	7,403	3,487	784	1,569	2,050	1,519	1,795	2,283	1,086	862	1,874	489

	South East	Greater London	East Anglia	South West	West Midlands	East Midlands	Yorks and Humber	North West	North	Wales	Scotland	Northern Ireland
1987												
March	7,377	3,454	780	1,555	2,039	1,505	1,778	2,259	1,077	852	1,862	485
June	7,448	3,474	795	1,592	2,051	1,528	1,802	2,262	1,090	863	1,886	485
September	7,495	3,503	809	1,591	2,064	1,540	1,808	2,268	1,092	873	1,879	493
December	7,552	3,528	819	1,586	2,093	1,552	1,817	2,287	1,099	870	1,878	496

Table B
Total seasonally adjusted adult unemployment

Thousands

	South East	Greater London	East Anglia	South West	West Midlands	East Midlands	Yorkshire and Humberside	North West	North	Wales	Scotland	Northern Ireland
1986												
June	779·2	404·6	82·1	203·4	337·2	197·2	304·5	437·6	226·2	174·9	341·2	125·7
July	778·5	404·2	82·6	203·9	337·0	197·7	304·3	436·9	225·9	173·9	343·0	126·5
August	775·9	403·5	82·6	203·3	337·2	198·2	304·3	434·9	225·1	172·9	344·8	127·4
September	769·2	400·8	81·9	201·3	334·9	197·1	302·5	432·3	223·2	170·4	345·4	127·8
October	762·0	397·5	80·8	199·6	331·7	196·1	300·9	428·3	221·3	169·0	345·6	128·1
November	755·5	394·5	80·7	198·1	331·3	195·8	299·1	426·2	221·6	168·1	346·5	127·6
December	746·5	390·5	79·5	195·3	326·5	193·4	296·6	422·7	219·9	166·0	346·9	127·4
1987												
January	744·0	390·2	79·6	194·3	324·9	193·3	295·3	421·2	218·9	164·6	348·6	127·3
February	727·6	381·6	78·0	191·1	319·2	191·3	291·9	416·3	217·7	161·5	345·9	126·1
March	716·1	377·5	77·0	188·1	316·1	189·5	293·5	413·0	216·2	159·3	343·3	125·4
April	708·6	373·5	76·0	186·9	313·0	189·3	290·1	410·8	216·1	158·6	345·9	126·0
May	692·8	368·5	74·0	180·8	305·8	184·6	281·7	401·0	211·9	155·4	336·8	126·1
June	681·3	362·9	72·9	179·2	302·2	182·8	281·5	398·9	210·1	154·1	333·9	125·5
July	668·0	357·3	71·3	175·9	296·4	179·8	276·2	391·3	206·3	152·3	330·7	125·2
August	654·3	351·0	69·8	172·7	290·7	176·3	271·6	385·5	203·3	150·8	326·2	124·6
September	639·8	344·7	68·1	167·7	284·2	173·1	266·9	379·1	200·9	148·5	320·3	123·7
October	623·4	338·4	65·7	162·9	278·4	169·1	261·3	372·0	197·5	145·2	315·5	122·7
November	603·9	331·0	62·7	158·8	272·0	165·2	256·3	364·1	193·5	142·4	311·3	120·7
December	590·8	326·2	61·3	156·7	268·5	163·1	253·1	360·6	191·4	140·2	308·7	119·7
1988												
January	572·9	318·6	59·6	154·2	262·5	159·5	248·8	356·1	188·5	138·0	306·2	118·4
February	564·2	318·0	58·3	151·8	258·1	158·2	245·8	351·2	187·6	136·8	303·4	117·2
March	557·1	315·8	57·0	149·1	254·8	156·1	243·4	347·8	187·0	135·9	300·1	116·4

Benefit Fraud

Mr. David Porter: To ask the Secretary of State for Employment what steps he is taking to publicise successful prosecutions for unemployment benefit fraud in each region; and if he will make a statement.

Mr. Lee: While my Department encourages publicity for large-scale fraud drives, we generally do not actively seek publicity for individual successful prosecutions.

Training Schemes

Ms. Short: To ask the Secretary of State for Employment what is the benefit position of adult claimants who leave the proposed new employment training scheme for adults before the end of their agreed training programme, in relation to their previous level of benefit; and in what circumstances an adult claimant will face benefit penalties for either refusing to join, or leaving a place early, in the proposed employment training scheme.

Mr. Nicholls: People who leave employment training early will be entitled to claim unemployment benefit or income support, provided that they meet the statutory conditions for entitlement to these benefits. The level of benefit of those who have previously received these benefits may alter if their circumstances have changed while on the programme. Refusal of a place on employment training or leaving the programme early will not in themselves be grounds for refusal of benefit.

SOCIAL SERVICES

Pharmaceutical Services

Mr. Alexander: To ask the Secretary of State for Social Services if he will test the effectiveness of the pharmaceutical services in National Health Service hospitals by putting them out to tender.

Mr. Newton: We encourage health authorities to consider the possibilities for securing greater cost-effectiveness in the provision of all NHS services. Going out to tender for a particular service is one such possibility, but we have no central initiative in mind to extend the range of services subject to mandatory tender action.

Southern Derbyshire District Health Authority

Mr. Oppenheim: To ask the Secretary of State for Social Services how much money Southern Derbyshire district health authority has spent in local authority rates in each year from 1978-79 to the present.

Mr. Newton: Following is information derived from the annual accounts of the Southern Derbyshire health authority since its establishment on 1 April 1982:

Total expenditure on contributions in lieu of rates

	£000
1982-83	1,096
1983-84	1,204
1984-85	1,388
1985-86	1,416
1986-87[1]	1,669

[1] latest available.

Note:
Prior to 1 April 1982 the district health authority's predecessor health district formed part of the Derbyshire area health authority and district based figures were not collected centrally.

Rates

Mr. Cohen: To ask the Secretary of State for Social Services if he will list the 10 district authorities in England with the highest percentage rate rises in the current year; and which of these authorities fall within the present criteria for possible rate capping.

Mr. Newton: Information on health authorities expenditure on contributions in lieu of rates is not collected in-year but is recorded in their annual accounts. Health authorities' annual accounts for the financial year 1987-88 are not due for submission to the Department until the end of June 1988 and information for that year will be available in the autumn.

Acute Medical Care

Mrs. Virginia Bottomley: To ask the Secretary of State for Social Services what proportion of the health budget is allocated to acute medical care.

Mr. Newton: Estimated gross expenditure on acute hospital services represented 45 per cent. of total spending on the hospital and community health services for 1985-86.

Nurse Contact Rate

Mr. Tony Lloyd: To ask the Secretary of State for Social Services what is the district nurse contact rate for the over 65s in Trafford, Sheffield, Manchester City, West Lambeth and Stockport health authorities.

Mr. Newton: The available information is given in the table. Information is collected centrally on the number of persons treated by district nurses but not on the total number of treatments given.

Number of persons and percentage of population, aged 65 and over, treated by district nurses during 1986

District health authority	*Number of persons treated*	*Percentage of population treated*
Trafford	7,744	23·4
Sheffield	16,066	17·5
Manchester Central	2,315	13·6
West Lambeth	1,426	6·1
Stockport	8,942	20·9

Source: DHSS form LHS 27/3.

Disabled Persons (Rayner Scrutiny)

Mr. Andrew Bowden: To ask the Secretary of State for Social Services when he expects to publish the results of the Rayner scrutiny on the supply and use of home equipment issued to temporarily or permanently disabled people in the community, commissioned by his Department in 1986.

Mr. Newton: This is currently under consideration.

Consultant Urologists

Mr. Andrew Bowden: To ask the Secretary of State for Social Services how many consultant urologists are working in each health authority in England and Wales.

Mr. Newton: Figures are not available for all district health authorities. Information about medical staff is collected by employing authorities, which, for consultants, means regional health authorities, district health authorities designated for teaching purposes, and special health authorities for the London postgraduate teaching hospitals in England, and district health authorities in Wales. Such information as is available is set out in the table.

Table: Numbers of Consultants in post in Urology at 30 September 1986[1] in England and Wales

Region	*Number (total) including:—*	*DHA*	*Number*
Northern	13	Newcastle-upon-Tyne	4
Yorkshire	14	Leeds Western	2
		Leeds Eastern	2
Trent	17	Leicestershire	3
		Nottingham	4
		Sheffield	4
East Anglian	11	Cambridge	3
North West Thames	12	Parkside	2
		Riverside	5
North East Thames	29	Hampstead	1
		Bloomsbury	13
		City and Hackney	2
		Tower Hamlets	3
South East Thames	24	West Lambeth	4
		Camberwell	3
		Lewisham and North Southwark	4
South West Thames	14	Wandsworth	3
Wessex	10	Southampton and South West Hampshire	2
Oxford	6	Oxfordshire	1
South Western	11	Bristol and Weston	2
West Midlands	20	Central Birmingham	2
Mersey	10	Liverpool Central	4
North Western	22	Central Manchester	2
		South Manchester	5
		Salford	2
SHAS for the London Postgraduate Teaching Hospitals			
Hospitals for Sick Children	3		
Royal Marsden	3		
Hammersmith and Queen Charlottes	1		
Wales	8	Gwent	1
		Mid-Glamorgan	1
		South Glamorgan	3
		West Glamorgan	2
		Pembrokeshire	1

[1] Including permanent paid, honorary and locum staff.

Körner Information Forms

Mr. Allen: To ask the Secretary of State for Social Services if he is monitoring the time taken in filling out Körner information forms by physiotherapists and occupational therapists in *(a)* the Nottingham district health authority and *(b)* generally; and if he will make a statement on the cost effectiveness of such information gathering.

Mr. Newton: The Department is not monitoring the time taken to collect Körner information: this is a matter for authorities which are individually responsible for implementing Körner.

A variety of systems are being used to collect data about physiotherapy and occupational therapy. The aim of collecting this and other information is to assist management and professional staff in ensuring that resources are effectively used. The cost-effectiveness of the work in the short-term will therefore depend on what it shows, and what is done with it.

Electorates

Mr. Simon Coombs: To ask the Secretary of State for Social Services if he will list the 25 largest parliamentary constituencies by electorate, with their electorates; and what is the average constituency electorate on the current register.

Mrs. Currie: The information requested is as follows:

Parliamentary constituencies	*Electors on the 1988 Register*
Milton Keynes	103,210
Isle of Wight	100,785
East Hampshire	90,013
Huntingdon	89,657
Swindon	89,138
Westbury	89,001
Eastleigh	88,994
Devizes	88,110
Peterborough	86,630
South Colchester and Maldon	86,493
Cirencester and Tewkesbury	86,219
Wokingham	85,427
Ryedale	85,380
The Wrekin	85,327
Crosby	84,766
South Suffolk	84,631
North Colchester	84,594
North West Surrey	84,343
Dudley West	84,329
East Berkshire	83,950
Waveney	83,830
South West Cambridgeshire	83,673
Chelmsford	83,604
Horsham	83,568
North Wiltshire	83,439
Average constituency electorate	
United Kingdom	67,237
England	69,689

Social Security Fraud

Mr. David Porter: To ask the Secretary of State for Social Services what steps he is taking to publicise successful prosecutions for social security fraud in each region; and if he will make a statement.

Mr. Portillo: The Department has not normally sought publicity for successful prosecutions. Where inquiries are made by members of the press following their attendance at court, regional information officers assist on matters of fact.

Data Protection

Mr. Chris Smith: To ask the Secretary of State for Social Services what revenue has been received by his Department since 11 November 1987 from the payment of fees for subject access to personal records, pursuant to the provisions of the Data Protection Act 1984.

Mr. Portillo: None. The Department does not charge a fee.

Mr. Chris Smith: To ask the Secretary of State for Social Services how many applications under the provisions of the Data Protection Act 1984 for subject access to personal records held by his Department he has received since 11 November 1987.

Mr. Portillo: At the close of business on Friday 6 May 1988, 364 applications had been received.

Consultants (Suspected Fraud)

Mr. Thurnham: To ask the Secretary of State for Social Services how many cases of suspected fraudulent claims by hospital consultants were investigated during 1987; in how many cases fraud was discovered; how much money was involved; and what further action is being taken to prevent further instances.

Mr. Newton: This information is not collected centrally. It is the responsibility of health authorities to carry out any necessary checks on claims submitted by all NHS employees, including consultants.

NHS Capital Schemes

Mr. Robin Cook: To ask the Secretary of State for Social Services if he will list by regional health authority and special health authority all capital schemes costing over £1 million which are currently in progress; and if he will give the estimated date of completion.

Mrs. Currie: The information requested is included in the table.

Schemes Under Construction	*Contract Dates*		*Estimated*
	Start	*Complete*	*Completion*
Northern RHA			
Darlington Memorial Maternity Department	7 March 1988	7 May 1989	7 May 1989
Furness General Scheme 2 Phase 1	6 April 1986	21 July 1988	5 September 1988

Schemes Under Construction	*Contract Dates*		*Estimated*
	Start	*Complete*	*Completion*
Hartlepool DGH Scheme 3 Phase 2	4 January 1988	4 April 1990	4 April 1990
Royal Victoria Infirmary Scheme 1 Phase 5	4 January 1988	4 July 1991	4 July 1991
South Cleveland GH Hemlington Brokerage (D)	8 February 1988	8 October 1989	8 October 1989
South Shields General Scheme 3 Phase 1	24 January 1987	25 January 1990	25 January 1990
St. Georges Hospital Boilerhouse	29 June 1987	29 December 1988	7 November 1988
Westmoreland DGH Scheme 1 Phase 1	7 September 1987	7 September 1990	7 September 1990
Yorkshire RHA			
Castle Hill Hospital Surgical Development	23 November 1987	11 February 1990	11 February 1990
High Royds Hospital Upgrading of Six Wards	2 June 1986	2 November 1988	2 November 1988
Hull Royal Infirmary PGMEC	2 November 1987	30 April 1989	30 April 1989
Pontefract Day Surgical Unit	24 August 1987	17 February 1989	31 December 1988
Scarborough Geriatric Day Hospital and Wards	25 May 1987	26 November 1988	26 November 1988
Scunthorpe DGH Phase 3B A and E Block	15 September 1986	10 October 1988	10 October 1988
Scunthorpe DGH Phase 4A(2) Four Storey Block	20 July 1987	18 August 1989	18 August 1989
Seacroft Hospital Leeds EPD Wards	4 January 1988	2 January 1989	2 January 1989
Staincliffe DGH Pathology Department (Extns and Imps)	9 March 1987	13 March 1989	13 March 1989
Staincliffe DGH Phase 1 (Nucleus)	7 January 1985	6 July 1988	3 August 1988
Trent RHA			
Bassetlaw DGH Phase 2	30 June 1986	22 September 1989	6 October 1989
Doncaster Royal Infirmary Childrens Unit	20 October 1986	6 November 1988	6 November 1988
Doncaster Royal Infirmary Phase 2 Path. Lab.	17 August 1987	9 September 1989	9 September 1989
Glenfield DGH Phase 2	11 May 1987	7 April 1990	25 May 1990
Kendray-Sub Phase 2B-Mental Illness Unit/Esmi	2 November 1987	7 August 1989	7 August 1989
Kings Mill—Mortuary and Histopathology	13 April 1987	22 July 1988	22 August 1988
Leicester Royal Infirmary Phase 4B	26 October 1987	1 July 1990	1 July 1990
Louth County	28 September 1987	12 February 1989	12 February 1989
Montagu Mexborough Wards and Theatres	3 February 1986	9 May 1988	4 July 1988
Northern General Renal Unit	8 February 1988	21 July 1989	21 July 1989
Pilgrim Hospital (Boston) Support Services	6 April 1987	30 September 1988	12 October 1988
Sheffield Childrens Phase 1 Development	14 April 1986	6 May 1988	October 1988
East Anglian RHA			
Kings Lynn London Road Contract 2	15 June 1987	2 October 1988	2 October 1988
Northgate—Conv. of Maternity Unit to Geriatric	8 June 1987	2 January 1989	2 September 1988
North West Thames RHA			
Central Middlesex Psychiatric Unit	18 November 1985	16 November 1987	31 March 1988
Charing Cross G.U. Unit	2 November 1987	7 October 1988	7 October 1988
Clayponds Geriatric Unit (Nucleus)	1 February 1987	14 October 1988	14 October 1988
Colindale Psychogeriatric Hospital	9 November 1987	7 August 1989	7 August 1989
Edgware General Hospital	28 October 1985	1 July 1988	1 July 1988
Gossoms End Day Unit	23 February 1987	10 October 1988	10 October 1988
Hemel Hempstead Phase 2—Unit for the Elderly	1 February 1988	10 November 1989	10 November 1989
Lister Residential Accommodation	12 March 1984	10 June 1985	10 June 1985
Marjory Waren Medical Centre	2 November 1987	1 November 1988	1 November 1988
Mount Vernon Medical Block	18 May 1987	18 December 1987	24 February 1988
North London Blood Transfusion Centre—Enabling Weeks	1 June 1987	14 October 1988	14 October 1988
North London Blood Transfusion Centre	1 June 1987	14 October 1988	14 October 1988
OE 11 Reorganisation of Acute Facilities Phase 1	3 August 1987	26 November 1989	26 November 1989
St. Alban's Redevelopment of Main Phase	17 November 1986	23 January 1989	31 January 1989
St. Stephen's Aids Centre	27 April 1987	1 April 1988	1 April 1988
North East Thames RHA			
Barking Elderly Care Services Department	April 1987	December 1988	10 February 1989
Chingford M.I. Residential and Day Unit	4 January 1988	3 February 1989	3 February 1989
Clacton Community Hospital Phase 2	1 December 1986	28 February 1988	17 May 1988
East Ham Memorial Accommodation for Mentally Ill	4 January 1988	30 June 1989	30 June 1989
Harold Wood Phase 2 School of Nursing	6 May 1986	8 September 1987	29 April 1988
High Wood—Extension to Laurels	27 April 1987	8 July 1988	21 September 1988
London Hospital (Mile End)	2 February 1987	29 April 1989	1 May 1989
North Middlesex Geriatric and Catering	17 March 1986	16 March 1988	16 June 1988
Rochford Geriatric Wards	June 1986	March 1988	27 June 1988
St. Ann's Geriatric Unit	3 August 1987	27 January 1989	31 March 1989
St. Ann's M.I. Day Hospital and ESMI	6 October 1986	30 November 1987	3 May 1988
Whipps Cross Phase 1	18 April 1988	19 November 1990	19 November 1990
Whittington Redevelopment Phase 1	2 November 1987	13 August 1990	13 August 1990
South East Thames RHA			
Eastbourne New DGH Phase 2	23 June 1986	31 December 1988	31 December 1988
Faversham Hospital Geriatric Wards	2 March 1987	2 June 1988	2 June 1988
Hastings DGH Pre-phase Works	23 June 1986	22 December 1987	16 February 1988
Medway DGH Phase 3B	6 October 1986	31 March 1989	14 June 1989
R.V.H. Folkestone Phase 2	2 March 1987	25 November 1988	25 November 1988
Regional Distribution Centre	17 December 1987	13 October 1988	13 October 1988

Schemes Under Construction	Contract Dates Start	Complete	Estimated Completion
St. Thomas' Hospital—South Wing	1 June 1987	31 May 1989	31 May 1989
South West Thames RHA			
Bognor Community Hospital	1 February 1988	30 July 1990	30 July 1990
Crawley Hospital Phase 4	13 October 1986	12 August 1988	April 1988
Earls Court Ambulance Station	28 September 1987	27 February 1989	27 February 1989
East Surrey DGH Phase 2 Frame Contract	23 November 1987	22 May 1990	22 May 1990
Horsham Hospital Mental Illness Unit	7 September 1987	7 June 1989	7 June 1989
Mid Sussex Phase 1	14 July 1986	13 July 1989	30 November 1989
Royal Surrey County Guildford Phase 2	1 September 1986	30 November 1989	30 November 1989
St. George's Phase 2 A and E Extension	9 November 1987	14 August 1988	14 August 1988
Wessex RHA			
Bournemouth DGH—Phase 1 (Nucleus)	6 August 1984	6 May 1987	4 August 1988
Odstock Hospital Salisbury—Phase 1 (Nucleus)	4 January 1988	24 May 1991	24 May 1991
Poole General Hospital—ESNI Assessment Unit-Day Hospital	20 July 1987	19 July 1989	19 July 1989
Royal United Bath—Operating Theatres	28 November 1985	14 February 1989	7 March 1989
St. Ann's Canford Cliffs—Extension Contract 1	19 October 1987	10 July 1989	27 July 1989
St. Martin's Bath Geriatric Wards	27 May 1987	8 March 1989	8 March 1989
St. Mary's Portsmouth	24 August 1987	22 November 1989	22 November 1989
St. Mary's—Isle of Wight—Phase 38 (Nucleus)	28 October 1985	11 September 1988	14 May 1989
Westbury Replacement of Sambourne Hospital	4 January 1988	21 May 1989	21 May 1989
Oxford RHA			
Buckingham—Phase 1	23 November 1987	25 October 1989	25 October 1989
Heatherwood Catering Pharmacy Workshops and Stores	7 December 1987	31 August 1989	31 August 1989
John Radcliffe Hospital—Phase 3	26 May 1987	25 November 1988	25 November 1988
Kettering—New Theatres and Spencer Ward	20 July 1987	9 January 1989	9 January 1989
Milton Keynes DGH—NI Unit	18 May 1987	14 April 1989	14 April 1989
Stoke Mandeville—OPD-Hospice	4 January 1988	3 July 1989	3 July 1989
Stoke Mandeville—Pathology	5 October 1987	3 February 1989	3 February 1989
Wexham Park—Rehabilitation Unit	19 November 1986	17 August 1988	17 August 1988
South Western RHA			
Cheltenham General Phase 1B	19 August 1985	16 May 1988	1 August 1988
Cirencester Memorial Replacement and ESNI Beds	6 January 1986	15 August 1988	30 April 1988
Frenchay DGH Phase 1	7 July 1986	3 March 1989	14 July 1989
Glenside Sub-regional Secure Unit	5 January 1987	5 July 1988	5 July 1988
Gloucester Royal Phase 4B	7 April 1986	13 January 1989	13 January 1989
South Molton Hospital Geriatric and GP Unit	24 February 1986	19 February 1988	6 April 1988
Southmead Hospital—Pathology Phase 1	16 March 1987	27 March 1989	27 March 1989
Torbay DGH Geriatric Wards	1 February 1988	18 August 1989	18 August 1989
Williton New Geriatric Hospital	24 November 1986	26 August 1988	26 August 1988
West Midlands RHA			
Bromyard Community Hospital	16 June 1986	4 September 1988	13 May 1988
Burton (Outwoods) Psychiatric/Temporary Maternity	22 September 1986	19 March 1988	2 June 1988
Burton on Trent DGH (Central Production Unit)	13 October 1986	27 May 1988	27 May 1988
City General Stoke Surgical Accomm. (Nucleus)	11 March 1985	2 September 1988	4 September 1988
Dudley—Guest Rehabilitation Unit	6 April 1987	6 October 1988	6 October 1988
Edward Street—Psychiatric/Geriatric	1 September 1986	28 November 1988	8 December 1988
Good Hope Phase 2	6 January 1986	1 February 1988	31 May 1988
Good Hope Phase 3A	7 July 1986	3 January 1988	30 April 1988
Queen Elizabeth Birmingham—Phase 3 Contract 1	7 April 1986	31 July 1988	1 September 1988
Telford DGH Phase 1 (Nucleus)	26 November 1984	26 May 1988	31 June 1988
Walsall Phase 4A and 4B (Nucleus)	7 January 1985	7 July 1988	2 October 1988
Mersey RHA			
Alder Hey Paed. Cardiology and Inst. of Child Health	18 March 1985	18 September 1987	April 1988
Broadgreen Development Phase 1 (Nucleus)	6 January 1986	4 January 1988	31 May 1988
Clatterbridge Medical Unit (Nucleus)	October 1986	September 1988	4 October 1988
Fazakerley Hospital Acute M.I. Unit	11 May 1987	3 June 1988	8 July 1988
St. Helens Redevelopment Phase 1 Boiler House	7 April 1986	3 January 1988	30 July 1988
Warrington DGH Phase B (Nucleus)	17 March 1986	30 April 1988	30 April 1988
North Western RHA			
Chorley DGH Geriatric Unit	29 June 1987	25 December 1988	24 January 1989
Fairfield Phase 1	5 July 1985	1 February 1988	15 April 1988
Manchester Royal Infirmary Catering Block	1 September 1987	27 November 1989	22 May 1989
Manchester Royal Infirmary Phase 2	14 July 1986	13 January 1990	5 January 1990
Manchester Royal Infirmary Service Complex	1 September 1986	23 September 1988	23 September 1988
Oldham DGH Phase 1	11 February 1985	7 February 1988	16 March 1988
Queens Park Blackburn Phase 1 Paediatric	4 June 1984	4 June 1986	18 March 1987
Royal Preston Pathology Phase 2	28 September 1987	28 November 1989	28 November 1989
Whelley Hospital Phase 1	26 May 1987	24 November 1989	24 November 1989

Schemes Under Construction	Contract Dates Start	Complete	Estimated Completion
Non RHA			
Blood Products Manufacturing Unit Elstree	1 May 1983	1 November 1985	30 April 1988
Great Ormond Street Boiler Plant Replacement	18 August 1986	30 June 1988	30 June 1988
Hammersmith Hospital Redevelopment Phase 1	September 1985	May 1988	31 March 1988
Maudsley Hospital Redevelopment Phase 1A	1 June 1987	23 October 1988	21 November 1988
Moorsfields Eye Hospital—Redevelopment Phase 2B			5 February 1988
National Heart and Chest Centre Brompton Phase 1	2 March 1987	23 July 1989	23 July 1989

Total number of schemes = 134

National Insurance Liability

Mr. Conway: To ask the Secretary of State for Social Services what action he is taking to prevent the avoidance of national insurance contribution liability through the payment of earnings in gilt.

Mr. Portillo: There has been an increase in the practice of paying part of remuneration in gilts to directors and other highly paid personnel. This is a device which avoids national insurance contribution liability. I have therefore today laid before the House regulations (The Social Security (Contributions) Amendment (No. 3) Regulations 1988) withdrawing the exemption from national insurance contributions which currently applies to gilts and other debt instruments. The regulations will have effect from tomorrow.

Further action will be taken if it appears that other securities are being used to avoid national insurance contribution liability.

Health Authorities (Staff)

Mr. Wigley: To ask the Secretary of State for Social Services (1) if he will list for England and for each regional health authority for each year since 1981 the number of whole-time equivalent qualified midwives working *(a)* in hospital maternity units, *(b)* in special care baby units, *(c)* in education and *(d)* as community midwives;

(2) if he will list for England for each regional health authority for each year since 1981 the number of whole-time equivalent nurses working in *(a)* hospital maternity units and *(b)* special baby care units.

Mr. Newton *[holding answer 26 April 1988]:* The information requested is given in the tables.

Hospital qualified midwives[13]
At 30 September of each year

Whole-time equivalent[2]

Region	1981	1982	1983	1984	1985	1986
Northern	671	904	880	987	1,017	1,039
Yorkshire	826	994	1,056	1,102	1,133	1,182
Trent	867	1,268	1,205	1,216	1,275	1,295
East Anglian	456	532	511	549	550	575
North West Thames	765	906	876	903	926	947
North East Thames	930	1,108	1,188	1,185	1,208	1,197
South East Thames	914	1,006	1,052	1,056	1,053	1,114
South West Thames	638	743	737	771	791	773
Wessex	667	789	785	806	819	823
Oxford	497	640	691	710	728	757
South Western	526	712	762	766	795	819
West Midlands	1,020	1,264	1,400	1,522	1,579	1,621
Mersey	525	704	700	699	715	751
North Western	1,080	1,296	1,388	1,379	1,456	1,474
London Post-Graduate Special Health Authorities	99	164	174	147	174	178
England Total	10,480	13,028	13,403	13,795	14,219	14,543

Hospital qualified midwives employed in special care baby units[1] *at 30 September of each year*

Whole-time equivalent[2]

Region	1981	1982	1983	1984	1985	1986
Northern	29	29	33	37	37	41
Yorkshire	35	41	59	74	88	99
Trent	79	91	87	83	71	71
East Anglian	37	28	22	18	26	32
North West Thames	53	61	59	56	57	62
North East Thames	39	42	45	49	53	58
South East Thames	16	28	34	56	91	70
South West Thames	24	28	24	24	40	34
Wessex	28	38	46	46	44	59
Oxford	18	24	37	47	40	46
South Western	59	46	57	54	63	70

Region	1981	1982	1983	1984	1985	1986
West Midlands	27	69	70	79	100	112
Mersey	51	53	47	52	52	47
North Western	59	63	74	91	90	109
London post-graduate special health authorities	—	25	19	9	11	11
England Total	553	667	712	773	862	921

Hospital qualified midwives employed in education[1] at 30 September of each year

Whole-time equivalent[2]

Region	1981	1982	1983	1984	1985	1986
Northern	24	26	29	29	32	32
Yorkshire	47	48	44	46	48	49
Trent	46	44	48	48	50	53
East Anglian	15	19	21	22	23	25
North West Thames	32	36	47	46	48	48
North East Thames	52	47	61	54	59	53
South East Thames	46	47	48	48	48	75
South West Thames	30	30	34	36	29	26
Wessex	25	31	31	31	39	41
Oxford	24	24	24	25	26	31
South Western	25	28	37	39	37	35
West Midlands	48	48	58	53	59	55
Mersey	32	32	30	28	27	38
North Western	54	55	61	70	73	64
London Post-Graduate Special Health Authorities	6	7	7	5	7	7
England Total	506	521	580	581	605	631

Community midwives[1] at 30 September of each year

Whole-time equivalent[2]

Region	1981	1982	1983	1984	1985	1986
Northern	221	219	228	238	245	253
Yorkshire	260	267	288	310	323	323
Trent	442	452	463	472	471	475
East Anglian	194	201	217	216	221	218
North West Thames	174	194	195	205	212	230
North East Thames	240	237	250	249	262	279
South East Thames	231	249	263	285	293	316
South West Thames	168	163	169	184	195	206
Wessex	165	178	194	214	224	222
Oxford	168	160	163	172	191	191
South Western	134	138	170	178	213	217
West Midlands	419	428	452	449	495	489
Mersey	217	221	227	236	237	244
North Western	373	395	435	445	458	466
London post-graduate special health authorities	—	2	1	6	—	—
England Total	3,406	3,504	3,713	3,858	4,041	4,127

Nursing staff working in hospital maternity units[1] [4] 30 September: 1981 to 1986

Whole-time equivalent[2]

Region	1981	1982	1983	1984	1985	1986
Northern	681	663	648	616	617	589
Yorkshire	904	945	812	753	757	722
Trent	1,120	1,116	1,083	1,031	992	972
East Anglian	426	423	426	435	421	424
North West Thames	611	648	593	605	583	574
North East Thames	782	838	694	666	623	596
South East Thames	797	812	770	740	731	727
South West Thames	532	450	438	412	376	398
Wessex	574	543	508	494	506	493
Oxford	519	559	450	491	473	464
South Western	798	739	620	606	576	555
West Midlands	1,421	1,451	1,264	1,138	1,134	1,137
Mersey	561	559	507	487	485	474
North Western	965	1,025	922	914	853	847

Region	1981	1982	1983	1984	1985	1986
London post-graduate special health authorities	68	134	111	130	123	124
England Total	10,759	10,904	9,844	9,518	9,250	9,096

Nursing staff working in special care baby units[1] 30 September: 1981 to 1986

[2] *Whole-time equivalents*

Region	1981	1982	1983	1984	1985	1986
Northern	82	88	95	104	114	119
Yorkshire	49	64	77	106	122	122
Trent	187	245	277	265	275	282
East Anglian	84	84	86	80	88	92
North West Thames	90	80	98	112	127	137
North East Thames	36	55	63	71	63	63
South East Thames	45	71	106	125	148	145
South West Thames	45	48	59	63	57	62
Wessex	56	66	69	90	110	112
Oxford	62	85	70	100	104	116
South Western	100	112	132	135	135	121
West Midlands	101	204	201	226	274	278
Mersey	80	103	90	86	85	74
North Western	79	103	145	160	166	186
London post-graduate special health authorities	1	16	14	27	29	28
England Total	1,096	1,423	1,581	1,750	1,897	1,937

Source: DHSS Annual Census of NHS Non-Medical Manpower.

[1] Excludes students and agency staff.

[2] All figures are independently rounded to the nearest whole-time equivalent.

[3] Includes staff employed in Education and Special Care Baby Units.

[4] Includes staff in Special Care Baby Units.

District Health Authorities (Costs)

Mr. Favell: To ask the Secretary of State for Social Services what action he proposes to take in the light of the significant variations between different district health authorities in the percentage of their total expenditure taken up by administrative and clerical costs; to what factors he attributes these variations; and if he will make a statement.

Mr. Newton *[holding answer 29 April 1988]:* I refer my hon. Friend to my reply to my hon. Friend the Member for Dover (Mr. Shaw) on 3 May at columns *490-98* which gave individual regional health authority and district health authority administrative and clerical staff figures together with cost and cost relative to population.

Costs, particularly the costs relative to population for individual districts, can be influenced by a number of factors: *(a)* the presence or absence of regional services such as blood transfusion or ambulance services and regional specialties; *(b)* people crossing district boundaries for treatment and sub-regional resource allocations reflecting the pattern of service provision locally; *(c)* the fact that the population figures used are for resident population and make no allowances for differences in morbidity and age-sex structure of particular populations; *(d)* the payment of London weighting allowance to staff employed in relevant authorities within the four Thames regions.

Baby Intensive Care Units (Leeds)

Mr. Battle: To ask the Secretary of State for Social Services (1) how many special and intensive care units for babies have had *(a)* the number of beds reduced and *(b)* wards closed, in the Leeds Western health authority for each of the past five years;

(2) what is the total number of places in special and intensive care units for babies in the Leeds Western health authority; and what was the corresponding figure for 1983.

Mrs. Currie *[holding answer 3 May 1988]:* Leeds Western health authority is responsible for the provision of the health services indicated but I am advised that in 1983 there were 29 special care baby unit cots available at the Leeds maternity hospital and four neonatal intensive care cots at the general infirmary. These services transferred to the Clarendon wing at the general infirmary in 1983. Improved facilities and changes in medical practice have resulted in a different bed mix. There are currently 20 SCBU cots, six neonatal intensive care cots, and seven "transitional care beds" which are associated with more intensive nursing than would usually be required: a total, as in 1983, of 33. For further details the hon. Member may wish to approach the chairman of Leeds Western health authority.

Statistical Bulletins

Mr. Dobson: To ask the Secretary of State for Social Services if he will publish a list of each of the statistical bulletins published by his Department, the title, date, number of copies printed, number of copies distributed free of charge to Government, National Health Service and other users, and the numbers sold so far and the price.

Mrs. Currie *[holding answer 5 May 1988]:* The information requested has been placed in the Library. The sales figures are the numbers sold up to the end of April 1988.

British Pensioners (Canada)

Mr. Hood: To ask the Secretary of State for Social Services if he will place in the Library a copy of his reply to the letter of 17 December 1987 from the Minister of Health and Welfare of Canada, the right hon. Jack Epp, regarding British pensioners resident in Canada; and if he will make a statement.

Mr. Portillo *[holding answer 5 May 1988]:* The Canadian Minister of Health and Welfare, Mr. Jack Epp, wrote to the then Secretary of State for Social Services on 17 December 1986 about British pensioners resident in Canada. A reply was sent on his behalf by my noble Friend, the Baroness Trumpington, on 13 February 1987. I have arranged for a copy of this letter to be placed in the Library.

This letter refers to another reply from the noble Baroness to a letter from Mr. Brian Howe, the Australian Minister for Social Security, on the same issue. As the two are complementary I have arranged for a copy of that letter to be placed in the Library also.

Tinnitus

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Social Services what is the total amount which has been allocated during the current financial year for research into the condition known as tinnitus by his Department.

Mrs. Currie *[holding answer 6 May 1988]:* I understand that the Medical Research Council, the main Government agency responsible for the promotion of medical and related biological research, and which receives its grant-in-aid from the Department of Education and Science, is funding some research into this condition and spent some £131,000 in 1986-87, the latest year for which information is available. Details are available in the MRC handbook, a copy of which is in the Library.

The Department is not currently funding any research into tinnitus and has not allocated funds for such research in 1988-89.

Taxes and Benefits

Sir Brandon Rhys Williams: To ask the Secretary of State for Social Services what is his latest estimate of the numbers of working single people and of earners with dependent families who will have marginal rates of tax and benefit withdrawal in excess of 70 per cent. in 1988-89; and what will be the combined total number of people in that situation, including earners and their dependants.

Mr. Scott *[pursuant to his reply, 25 March 1988, c. 244-46]:* On the basis of the figures set out in my previous reply the total numbers attached to tax units, where the head might face a combined marginal rate of tax payment and benefit withdrawal in excess of 70 per cent., is estimated to be no more than 2 million.

Senior Doctors

Mr. Boyes: To ask the Secretary of State for Social Services if he will list for each regional health authority the number of senior doctors per 100,000 in-patients treated for each year since 1979 to the latest available date.

Mr. Newton *[pursuant to his reply, 21 April 1988, c. 548-50]:* I regret that some of the information provided was incorrect. The correct information is set out in the table.

Table: Senior hospital doctors: (England)
(Whole-time equivalent) per 100,000 in-patient cases treated

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*
England	222	220	222	227	220	218	215	217
Northern	217	214	220	236	223	220	220	220
Yorkshire	188	181	188	194	183	178	177	178
Trent	201	200	197	206	198	198	195	200
East Anglia	239	224	228	242	231	228	229	226
North West Thames	253	251	256	242	243	239	241	240
North East Thames	236	234	238	244	238	232	239	240
South East Thames	231	234	234	232	231	223	212	220
South West Thames	246	249	250	250	244	238	238	245
Wessex	216	213	208	216	211	214	214	208
Oxford	216	214	216	230	224	231	228	233
South Western	211	213	215	218	213	209	206	205
West Midlands	217	215	216	220	213	209	206	212
Mersey	210	214	211	216	207	205	203	202
North Western	198	203	204	212	206	206	200	203
SHAs and BGs	372	376	372	387	392	408	399	405

Notes to the Table

(1) Includes permanent paid, honorary and locum staff in the grades of consultants, associate specialists and hospital practitioners within

the medical specialties.

(2) All figures have been rounded to the nearest whole number of the whole-time equivalent.

(3) Because of the NHS restructuring in 1982 figures on in-patient cases treated for the four Thames regions and special health authorities are not strictly comparable over the whole period.

NORTHERN IRELAND

Mentally Handicapped People (Training)

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland if he will list by unit of management the number of training places for mentally handicapped and mentally ill patients under the four health and social sevices boards; and if he will make a statement.

Mr. Needham: Training under the health and social services boards for mentally handicapped and mentally ill patients comprises work-orientated activities, often linked to social skills programmes, conducted in specialist statutory facilities under the supervision of board staff. For the mentally handicapped, training places are provided in workshops, adult training centres and social education centres in the community and in day care units in mental handicap hospitals. For the mentally ill training is provided in industrial therapy units attached to the psychiatric hospitals. The table relates only to training provided by the statutory sector. The places shown include not only those specifically provided for the mentally ill and the mentally handicapped, but those in multi-client workshops in the community which are taken up by the mentally ill. The latest date for which central statistics are held on available training is 31 December 1986.

In regard to the mentally ill client group living in the community a very considerable amount of training is already provided, and more is planned by Industrial Therapy Organisation Ltd., a voluntary body supported by both regional and local statutory funding.

The four health and social services boards are committed to a continuing assessment of the needs for training of the mentally ill and the mentally handicapped, particularly in the context of the increasing emphasis on helping these two client groups to lead as independent and fulfilling lives as possible within the community.

Health and social services board and unit of management	*Places for the mentally handicapped*	*Places for the mentally ill*
Eastern		
Down	60	
East Belfast and Castlereagh Community	130	220
Lisburn	120	
Muckamore Abbey Hospital	230	
North Down and Ards	100	
North and West Belfast Community	200	8
Purdysburn Hospital South Belfast Community	211	85
Northern		
Antrim and Ballymena	120	220
Coleraine, Ballymoney and Moyle	55	
Larne and Carrickfergus	220	
Magherafelt and Cookstown	50	
Southern		
Armagh and Dungannon	150	131
Craigavon and Banbridge	100	50
Newry and Mourne	27	20
Western		
Fermanagh	74	10
Londonderry, Limavady and Strabane	244	120
Omagh	75	88
TOTAL	2,166	952

Maintained Schools (Insurance Costs)

Mr. Beggs: To ask the Secretary of State for Northern Ireland if grant provision to maintained schools allows for insurance costs for these properties.

Dr. Mawhinney: Yes.

Museums

Mr. Beggs: To ask the Secretary of State for Northern Ireland what is the present valuation of *(a)* property and *(b)* exhibits at the Ulster museum, Stranmillis, Belfast, and the Ulster Folk and Transport museum at Cultra.

Dr. Mawhinney: The information is not available and could be obtained only at disproportionate cost.

Mr. Beggs: To ask the Secretary of State for Northern Ireland (1) what assessment he has made of the implications for employment levels at museums in Northern Ireland of current proposals to privatise services there; if he will defer those proposals; and if he will make a statement;

(2) what assessment he has made of the implications of privatising services at museums in Northern Ireland for the security of property and exhibits, with particular reference to the risk of bogus firms with paramilitary connections seeking to tender for contracts; and if he will make a statement;

(3) what is the estimated value of annual savings to be made in public expenditure at *(a)* the Ulster museum, Stranmillis, and *(b)* the Ulster Folk and Transport museum, Cultra, from proposals to contract out catering, cleaning and security work.

Dr. Mawhinney: The assessment of the implications for employment levels, the security of property and exhibits and the value of savings likely to be achieved are an integral part of an exercise which I have asked the trustees to undertake. The intention is that they should evaluate the efficiency and cost-effectiveness of contracting-out to competitive tender their cleaning, catering, security and warding services and to submit proposals.

Potatoes

Mr. Mallon: To ask the Secretary of State for Northern Ireland whether the Department of Agriculture for Northern Ireland plans to introduce a potato stock feed scheme in the immediate future.

Mr. Viggers: No.

Mr. Mallon: To ask the Secretary of State for Northern Ireland what criteria are required by the Department of Agriculture for Northern Ireland for the implementation of a potato stock feed scheme in Northern Ireland.

Mr. Viggers: Under an agreement with the Ulster Farmers Union, the Government are obliged to use their best endeavours to ensure that the Northern Ireland market price over the season as a whole does not finish lower than the target price for potatoes for human consumption. For the 1987 crop the target price for ware potatoes is £46 per tonne.

Mr. Mallon: To ask the Secretary of State for Northern Ireland what is the extent of the surplus of potatoes on the Northern Ireland potato market during the period September 1987 and March 1988.

Mr. Viggers: This information is not available, but any surplus would not appear to be substantial since average growers' prices remain above the 1987-88 target price.

Mr. Mallon: To ask the Secretary of State for Northern Ireland what change there has been in the quantities of potatoes being exported from Northern Ireland since September 1987; what quantities were exported between September 1987 and March 1988; and what were the comparable figures for the two previous 12-month periods.

Mr. Viggers: The information requested, which relates to exports of seed and ware potatoes from Northern Ireland to Great Britain and foreign destinations, is as follows:

	'000 tonnes
September 1987 to March 1988 (inclusive)	90
September 1986 to March 1987 (inclusive)	88
September 1985 to March 1986 (inclusive)	73

Labour Statistics

Sir John Biggs-Davison: To ask the Secretary of State for Northern Ireland if he will make a statement, giving figures for the last convenient period, of the fall in unemployment and provision of new jobs in the Province.

Mr. Viggers *[holding answer 5 May 1988]:* Trends in unemployment in Northern Ireland over the last year have been very encouraging. Seasonally adjusted unemployment (excluding school leavers) decreased by 9,000 between March 1987 and March 1988 and has fallen in all but two of the past 17 months. This has been matched by improved results from the industrial development agencies. Between them the Industrial Development Board and the Local Enterprise Development Unit promoted 9,347 new jobs during the year ended 31 March 1988, compared to 8,431 in the previous year.

GCSE

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland if he will give the cost of collection of GCSE assessments by Securicor during the week ended 29 April; whether the written papers will be transported by the postal system; and if he will make a statement.

Dr. Mawhinney *[holding answer 9 May 1988]:* These matters are the responsibility of the various examining bodies.

Artificial Insemination Service

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland how many applications were submitted in response to the invitation to acquire the artificial insemination service; whether the successful applicant submitted the higher offer; what other factors and criteria were considerations; and if he will make a statement.

Mr. Viggers *[holding answer 9 May 1988]:* The Department of Agriculture sought applications from organisations which wished to be considered for the grant of the licence to provide an AI service for cattle producers in Northern Ireland and no acquisition as such was involved. This was in accordance with a decision that the Department should disengage from provision of the AI service at 30 September 1988. Organisations with interest and potential capability were invited by public advertisement to apply for the licence. Acquisition of the Department's assets was not a requirement for grant of the licence.

Four applications were received. In assessing the applications, the main factors and criteria were commitment to the cattle production sector, financial resources, operational proposals, managerial resources, breeding policy and semen procurement provisions. The application by AI Services (NI) Society Ltd. was deemed the most suitable.

Written Answers to Questions

Thursday 12 May 1988

SCOTLAND

Bathing Waters

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will make a statement on the quality and condition of bathing waters around the coast of Scotland.

Lord James Douglas-Hamilton: I would refer the hon. Member to the answer which I gave to my right hon. Friend the Member for Dumfries (Sir H. Munro) on 5 May, column *536*.

Teachers (Pay)

Mr. McAllion: To ask the Secretary of State for Scotland how many Scottish teachers received no increase in their salaries following the recent pay award to Scottish teachers, as a result of the existing pay structure within the teaching profession in Scotland.

Mr. Michael Forsyth: This information is not held centraliy.

ATTORNEY-GENERAL

Wilhelm Mohnke

Mr. Dalyell: To ask the Attorney-General if the Lord Chancellor will make it his policy to arrange for the immediate release of all public records relating to Wilhelm Mohnke and the Wormhoudt massacre.

The Attorney-General: Public records relating to Wilhelm Mohnke and the Wormhoudt massacre are subject to the provisions of the Public Records Act 1958. The Act provides for certain records over 30 years old to be retained by Departments, for administrative or other reasons, under section 5(1), in accordance with the criteria set out in paragraphs 26-27 of the White Paper "Modern Public Records", (Cmnd. 8531, March 1982). The Lord Chancellor's policy is to act in accordance with these. A file (TS26/206) containing reports of the incident is available for public inspection in the Public Records Office. A number of other files relating inter alia to this incident continue to be held by the Ministry of Defence where their contents are being examined in the light of the relevant statutory provisions and criteria to which I have referred.

Birmingham Pub Bombings

Mr. Mullin: To ask the Attorney-General if he will call for a report from the chief constable of the City of London police on progress in the inquiry on behalf of the Crown Prosecution Service into alleged contempt between the two principal Crown witnesses during the appeal of the men convicted of the Birmingham pub bombings.

The Attorney-General: The Director of Public Prosecutions expects to receive a report in the near future.

PRIME MINISTER

Bristol Channel (Dumping)

Mr. Speller: To ask the Prime Minister if she will instruct those Ministers who authorise dumping of industrial, nuclear, sewage or any other waste into the Bristol channel, and all other Ministers with supervisory or investigatory powers, to co-ordinate an investigation into the number of permits issued and the efficiency of control on volume or toxicity of material dumped, together with an estimate of any illegal pollution by dumping without licence, including ships washing out their tanks in mid-channel.

The Prime Minister: Departments with responsibilities in this field already co-ordinate their activities and monitor jointly the water quality in the Bristol channel. Any information concerning the unlicensed disposal of waste is dealt with by the appropriate Department; for ships washing out their tanks this is the Department of Transport.

"Reducing the Risk of Legal Challenge"

Mr. Dalyell: To ask the Prime Minister if she will place in the Library a copy of the memorandum, "Reducing the Risk of Legal Challenge", which accompanied the document entitled "Judge over your Shoulder".

The Prime Minister: I am advised the memorandum was produced separately from the other document to which the hon. Member refers. I am placing a copy in the Library.

Government Legal Services (Inquiry)

Mr. Dalyell: To ask the Prime Minister if she will include within the remit of Sir Robert Andrew's inquiry into the Government's legal services, consideration of which increasing demands have been placed on the public legal services by Government policies, their legal case against Peter Wright; and if she will make a statement.

The Prime Minister: I have no plans to alter the terms of reference of Sir Robert Andrew's review of Government legal services which were set out in the reply to the hon. Member by my right hon. Friend the Secretary of State for the Environment on 20 January 1988, *Official Report*, column *955*.

Professor Brian Griffiths

Mr. Dalyell: To ask the Prime Minister what was the cost of the visit of Professor Brian Griffiths to Scotland in April 1988 to discuss school matters.

The Prime Minister: The estimated cost of the visit was £250.

Written Answers (Costs)

Ms. Ruddock: To ask the Prime Minister what was the cost of the written answer to the hon. Member for Epping Forest (Sir J. Biggs-Davison) on Government achievements, *Official Report*, 6 May, columns *628-44*.

Mr. Home Robertson: To ask the Prime Minister what is the cost to public funds connected with her reply to the

hon. Member for Epping Forest (Sir J. Biggs-Davison) on 6 May, *Official Report*, columns *628-44*, including the costs of printing.

The Prime Minister: The reply was assembled from material provided by a wide range of Departments. The total cost of time of those who contributed, including secretarial staff, measured by salary, overheads, and other costs, including printing, is estimated at £3,900.

Government Policy Objectives

Mr. Home Robertson: To ask the Prime Minister if she will list those policy objectives which Her Majesty's Government have failed to achieve since May 1979 in respect of the United Kingdom and also in respect of Scotland, Wales and Northern Ireland.

The Prime Minister: The Government have secured, or are making progress towards securing all their main policy objectives.

Rowntree plc

Mr. Gregory: To ask the Prime Minister how many representations she has received about the future of Rowntree plc; and if she will make a statement.

The Prime Minister: I refer my hon. Friend to the reply given to him by my right hon. Friend the Chancellor of the Duchy of Lancaster and Minister of Trade and Industry, *Official Report* 10 May 1988, columns *151-52*. I have received a number of representations including from hon. Members.

Sir Jeffrey Sterling

Mr. Dobson: To ask the Prime Minister when she last met Sir Jeffrey Sterling; and if she will make a statement.

The Prime Minister: Sir Jeffrey Sterling is special adviser to my right hon. and noble Friend the Secretary of State for Trade and Industry. I meet departmental special advisers from time to time.

P and O

Mr. Dobson: To ask the Prime Minister on what dates officials in her office, the Cabinet Office or any Government Department have been involved in any way in property and planning negotiations between local authorities and P and O.

The Prime Minister: Officials would not normally be involved in negotiations between local authorities and any company about property and planning matters except in connection with disposal of Government land or Government grants in respect of development schemes. If the hon. Member has any specific matter in which he is interested, perhaps he would be good enough to make inquiries with the Ministers concerned.

Engagements

Mr. Wigley: To ask the Prime Minister if she will list her official engagements for Thursday 12 May.

Mr. Ieuan Wyn Jones: To ask the Prime Minister if she will list her official engagements for Thursday 12 May.

Mr. Stern: To ask the Prime Minister if she will list her official engagements for Thursday 12 May.

Mr. Tony Lloyd: To ask the Prime Minister if she will list her official engagements for Thursday 12 May.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

TRADE AND INDUSTRY

Manufacturing Firms (Houghton and Washington)

Mr. Boyes: To ask the Chancellor of the Duchy of Lancaster, further to the answer of 5 May, *Official Report*, column *541*, if he will provide a list of the 20 new manufacturing firms located in Houghton and Washington which have opened since January 1985 and their locations.

Mr. Atkins: The information referred to was collected under and is subject to the Statistics of Trade Act. This precludes providing details of individual companies.

Vetting Procedures

Mr. Ingram: To ask the Chancellor of the Duchy of Lancaster if he will provide details of the vetting procedures applied to non-Civil Service staff employed by outside contractors who undertake security duties at research establishments of his Department.

Mr. Butcher: Non-Civil Service security guards are employed at one research establishment of this Department. They are vetted as to suitability and reliability by their employer, to a standard acceptable to the Department.

Research Establishments

Mr. Ingram: To ask the Chancellor of the Duchy of Lancaster when the departmental review of all the research establishments of his Department announced in the White Paper "DTI—the department for Enterprise" (Cm. 278) of January will be completed; and if he will make a statement.

Mr. Butcher: I hope to announce the outcome of the review of the DTI's research establishments within the next few weeks.

Takeovers

Mr. Grylls: To ask the Chancellor of the Duchy of Lancaster what is his policy on exercising his powers under the Industry Act 1975 to prohibit a foreign takeover of a British company by a company headquartered in a country which places obstacles in the way of takeovers of their companies by foreign firms.

Mr. Butcher: The powers in part II of the Industry Act 1975 relate only to changes of control of important manufacturing undertakings. These powers have never been used. The Government consider that the powers under the Fair Trading Act 1973 are a more appropriate means of implementing mergers policy. In deciding whether to refer a merger to the Monopolies and Mergers Commission under the merger provisions of this Act, one factor that may be relevant in some cases is the extent to which United Kingdom companies have reciprocal

freedom to acquire companies based in the home country of the prospective acquiror. Each case must, however, be considered individually on its own merits.

Monopolies and Mergers Commission (References)

Mr. Gregory: To ask the Chancellor of the Duchy of Lancaster if he will list the number of references of cases to the Monopolies and Mergers Commission which have involved issues of reciprocity with other countries in each of the last 10 years.

Mr. Kenneth Clarke: So far as I am aware, the MMC has addressed the matter of reciprocity in only one report, Elders IXL Ltd and Allied-Lyons plc. In that case, the MMC concluded it was unlikely that any imbalance between Australian and British law would operate against the public interest.

Swiss Company Law and Practice

Mr. Gregory: To ask the Chancellor of the Duchy of Lancaster what representations he has made to the Swiss Government on the lack of reciprocity in company law and practice.

Mr. Kenneth Clarke: I have made no such representations.

Steel Industry

Mr. Teddy Taylor: To ask the Chancellor of the Duchy of Lancaster what advice he has received from the EEC Commission about overcapacity in the steel industry; and what action will be taken about this advice.

Mr. Atkins *[holding answer 10 May 1988]:* The European Commission has estimated that overcapacity in the European Coal and Steel Community steel industry amounts to some 30 million tonnes, of which around 20 million tonnes is accounted for by flat products and heavy sections. The Council of Industry Ministers agreed on 22 December 1987 that unless guaranteed undertakings to reduce this overcapacity were forthcoming by 10 June, ECSC production quotas would end on 30 June. For full details I refer my hon. Friend to the answer my right hon. and learned Friend gave to my hon. Friend the Member for Birmingham, Northfield (Mr. King) on 12 January, *Official Report*, columns *215-17*.

ENVIRONMENT

Bricklayers (British Library Site)

Mr. Butler: To ask the Secretary of State for the Environment what information he has on the average weekly earnings of a bricklayer currently working on the British Library site.

Mr. Chope: The pay of bricklayers working on the British Library project is determined by the contractor, taking into account market conditions.

Mr. Butler: To ask the Secretary of State for the Environment what information he has on the availability of bricklayers for the British Library project.

Mr. Chope: The buoyancy of the construction market in London has led to keen competition for skilled bricklayers. I understand that the contractor keeps the numbers under constant review and adjusts them to meet programme targets.

Tyfoam

Mr. Hinchliffe: To ask the Secretary of State for the Environment (1) what information he has as to the number of occasions on which the ICI product Tyfoam has been withdrawn from use by local authorities following complaints from tenants and residents;

(2) what information he has as to how many local authorities have used the ICI product Tyfoam in dealing with structural faults in municipal housing.

Mr. Trippier: This information is not available to the Department.

Micro-organisms (Genetic Engineering)

Mr. Boateng: To ask the Secretary of State for the Environment if he will press for the inception of international regulatory machinery to prevent the abuse of genetic engineering of micro-organisms, such as the release of organisms in developing countries without the approval of national authorities.

Mr. Moynihan: This subject is already under discussion internationally and the United Kingdom is playing a full and constructive part. Adequate guidance for countries wishing to control this area has already been published by the Organisation for Economic Co-operation and Development ("Recombinant DNA Safety Considerations"; OECD Paris 1986). No further action is currently contemplated by the Government.

Water Quality

Mr. Ron Davies: To ask the Secretary of State for the Environment what resources are presently devoted to monitoring of water quality in Britain.

Mr. Moynihan: The main reponsibility for monitoring the quality of our inland and coastal waters in England and Wales lies with the regional water authorities. In all, about 1,000 staff are engaged in this area of work although many also undertake other duties. Questions about the monitoring undertaken in Scotland by the river purification authorities are matters for my right hon. and learned Friend the Secretary of State for Scotland.

Oxfordshire (Rateable Values)

Mr. Baldry: To ask the Secretary of State for the Environment what he estimates the average increase in rateable values in Oxfordshire has been since the last revaluation.

Mr. Howard: Analysis of the returns made to the Inland Revenue about rent levels for non-domestic property has not yet been carried out. It is therefore too early to say what the average level of increase in rateable value in Oxfordshire will be.

Council House Sales

Mr. Boyes: To ask the Secretary of State for the Environment if he will list by region how many council tenants over the age of 70 years have *(a)* applied to buy and *(b)* bought their council homes for each year since 1979.

Mr. Waldegrave: Information is not collected on the age of tenants applying to buy or buying their council homes.

Crown Suppliers

Mr. Stern: To ask the Secretary of State for the Environment when he expects to announce detailed plans for the privatisation of the Crown Suppliers.

Mr. Chope: As soon as possible.

London Docklands (CPOs)

Mr. Neil Hamilton: To ask the Secretary of State for the Environment if he will place in the Library copies of his decision letters concerning compulsory purchase orders made by the London Docklands development corporation since 1981.

Mr. Trippier: The decision letter related to the London Docklands (East Docklands) CPO 1985 was placed in the Library on 11 March 1988. I have arranged for copies of all other decision letters on the corporation's CPOs to be placed in the Library.

Mr. Neil Hamilton: To ask the Secretary of State for the Environment how many draft compulsory purchase orders have been made by the London Docklands development corporation since 1981; and how many he has cofirmed.

Mr. Trippier: The corporation has made 34 compulsory purchase orders, all since 1985, of which to date I have confirmed six in whole or in part.

Rating Reform

Mr. Corbyn: To ask the Secretary of State for the Environment what representations he has received from the clearing banks concerning their ability to cope with transactions expected under the poll tax.

Mr. Howard: My officials have met representatives of the Association for Payment Clearing Services (APACS) to discuss the implications of community charge collection for money transaction systems. Representatives of APACS will attend the next meeting of the implementation sub-group of the community charge working group, which comprises officials of the Department of the Environment, the Welsh Office, DHSS and the local authority associations, to discuss the practical issues arising from the introduction of the community charge.

Mrs. Fyfe: To ask the Secretary of State for the Environment whether he will take steps to ensure that persons required to complete the poll tax registration form are given 21 days in which to do so.

Mr. Howard: Regulations will provide that persons requested to supply information to community charge registration officers must do so within 21 days of the request.

Mr. Nicholas Bennett: To ask the Secretary of State for the Environment if he will list the average rate paid by a domestic ratepayer in each English district in 1988-89, together with his estimate as to the community charge per payer in 1988-89 had the proposed system been in operation.

Mr. Howard *[holding answer 10 May 1988]:* I hope to be able to publish these figures shortly.

Dr. Cunningham: To ask the Secretary of State for the Environment, pursuant to his answer of 3 May, *Official Report*, column *389*, whether he will grant additional capital allocations to those authorities which need to lease office accommodation for staff for poll tax, in addition to the £25 million already allocated, in the event of such leases counting as prescribed expenditure; and if he will make a statement.

Mr. Ridley *[holding answer 11 May 1988]:* I shall consider what additional capital allocations may be appropriate in the light of the findings from the Price Waterhouse report on the cost of the community charge, when I receive it.

Salisbury Plain

Mr. Corbyn: To ask the Secretary of State for the Environment what action is being taken by his Department to protect sites of antiquity and archaeological interest on Salisbury plain under Ministry of Defence control.

Mr. Moynihan: Land in the Salisbury plain training area is managed by the Property Services Agency (defence land agent) on behalf of the Ministry of Defence. In relation to archaeological remains, the agency acts in accordance with a scheme of management agreed between this Department and the MoD following the report of the Salisbury plain training area archaeological working party (1984-85), with advice from the Salisbury plain training area archaeological consultative committee, comprising representatives of the Army, the Ministry of Defence and the Property Services Agency. The committee is next meeting on 18 May.

Empty Local Authority Properties

Mr. McLoughlin: To ask the Secretary of State for the Environment whether he has considered bringing forward legislation to compel local authorities to sell to housing associations properties which have remained empty for more than six months without good cause; and if he will make a statement.

Mrs. Roe: Following discussions during the Committee stage of the Housing Bill, we are considering what practical measures might be introduced to reduce the number of empty local authority properties. My hon. Friend the Minister for Housing and Planning hopes to make a statement on Report.

Southend United FC

Mr. Teddy Taylor: To ask the Secretary of State for the Environment when he issued a notice to Southend borough council about the development of a new ground for Southend United football club in Sutton road; what was the purpose of the notice; when he expects the council will be enabled to consider the planning application; and if he will make a statement.

Mr. Trippier: On 31 March 1988 the Secretary of State directed Southend-on-Sea borough council to refer to him the application for a new stadium for Southend United because, for the reasons given in the Parliamentary Under-Secretary of State's letter to my hon. Friend of 30 March, he considered it was one that he, rather than the council, should decide. A local inquiry is being arranged to enable

all interested parties to express their views, after which the Secretary of State will decide whether or not to grant planning permission. Since an inquiry is to be held, I am unable to comment on the merits of the proposal.

Local Authorities (Finance)

Dr. Cunningham: To ask the Secretary of State for the Environment, pursuant to his answer of 3 May, *Official Report*, column 390, what information on the investing by local authorities of balances and so on in companies is available to him *(a)* from the quarterly borrowing and lending inquiry, *(b)* from the quarterly return of rates, interest receipts and payments, wages and salaries and *(c)* CIPFA capital expenditure and debt-financing statistics; and if he will make a statement on recent trends in this area of local authority activity.

Mr. Ridley *[holding answer 11 May 1988]:* Information on the level of investment by local authorities in companies is not available from the returns specified, apart from the level of short-term investments of less than 12 months in industrial and commercial companies, which is collected on the quarterly borrowing and lending inquiry. The level of such investment was £50 million at 31 March 1988.

Housing Defects

Mr. Stern: To ask the Secretary of State for the Environment if he has settled the distribution to individual councils of the £20 million housing investment programme resources for 1988-89 set aside for local authorities facing particular difficulties with their obligations under the housing defects legislation; and if he will make a statement.

Mr. Waldegrave: We have decided to allocate the £20 million of available resources to 75 local authorities, which are today being notified individually by my Department's regional controllors. The authorities receiving such allocations are as follows:

Region	*Amount (£)*
Northern	
Newcastle upon Tyne	200,000
Hartlepool	95,000
Gateshead	55,000
Chester le Street	43,000
Durham City	34,000
Tynedale	25,000
Total	452,000
North West	
Stockport	68,000
Crewe	130,000
Macclesfield	16,000
Trafford	24,000
Wigan	92,000
South Ribble	66,000
Rossendale	41,000
Total	437,000
Merseyside Task Force	
Ellesmere Port	451,000
Liverpool	332,000
St. Helens	28,000
Total	811,000
South West	
Tewkesbury	700,000
Northavon	840,000
Bristol	1,800,000
Forest of Dean	250,000
Thamesdown	300,000
Salisbury	150,000
South Somerset	200,000
North Wiltshire	150,000
South Hams	100,000
Stroud	100,000
Exeter	100,000
Wansdyke	50,000
Woodspring	150,000
Total	4,990,000
Greater London	
Havering	200,000
Merton	200,000
Redbridge	200,000
Richmond	418,000
Waltham Forest	200,000
Total	1,218,000
Yorkshire and Humberside	
Barnsley	240,000
Doncaster	120,000
Rotherham	380,000
Sheffield	120,000
Leeds	430,000
Wakefield	390,000
Harrogate	40,000
Total	1,720,000
West Midlands	
Birmingham	707,000
Dudley	95,000
Sandwell	652,000
Wolverhampton	273,000
Hereford	128,000
Worcester	145,000
Wyre Forest	74,000
Wrekin	74,000
Cannock	178,000
Newcastle	191,000
Staffordshire Moorlands	637,000
Stoke	542,000
North Warwickshire	546,000
Nuneaton	338,000
Total	4,580,000
East Midlands	
Chesterfield	335,000
Derby	338,000
North East Derbyshire	393,000
Boston	156,000
North Kesteven	139,000
South Holland	171,000
Gedling	392,000
Total	1,924,000
Eastern	
Three Rivers	482,000
Epping Forest	355,000
Thurrock	274,000
East Hertfordshire	129,000
South Bedfordshire	88,000
North Hertfordshire	87,000
Chelmsford	72,000
Forest Heath	35,000
Total	1,522,000

Region	Amount (£)
South East	
Reading	265,000
Eastleigh	214,000
Southampton	711,000
Rochester/Medway	924,000
Vale of White Horse	232,000
Total	2,346,000

These additional HIP allocations for 1988-89 will help maintain the good progress now being achieved, in assisting owners who are eligible under the housing defects legislation.

NORTHERN IRELAND

Maryfields (Public Buildings)

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland when a flag was last flown on the flag pole at the public buildings, known as Maryfields, near Belfast; which flag it was; and what are the instructions for flying the Union flag at these premises.

Mr. Stanley: The last flag flown at Maryfield was the Union flag, on 21 August 1985. Since the secretariat of the Intergovernmental Conference has been housed in the building, the policy has been to fly no flags there.

Arts, Museums and Libraries

Ms. Mowlam: To ask the Secretary of State for Northern Ireland what proportion of total central Government spending on Northern Ireland is represented by his Department's total expenditure on arts, museums and libraries in 1987-88 and 1988-89.

Dr. Mawhinney: 0·6 per cent. each year.

Arts Council

Ms. Mowlam: To ask the Secretary of State for Northern Ireland what grants were made by his Department to the Arts Council of Northern Ireland for 1987-88 and 1988-89.

Dr. Mawhinney: £3·682 million in the 1987-88 financial year. Its allocated budget for 1988-89 is £3·7 million.

Business Sponsorship Incentive Scheme

Ms. Mowlam: To ask the Secretary of State for Northern Ireland if he will publish the total grants made under the Northern Ireland business sponsorship incentive scheme in each financial year since its inception and the total related business sponsorship for the same years.

Dr. Mawhinney: The business sponsorship incentive scheme was introduced in Northern Ireland in August 1987. Grants paid out under the scheme in the 1987-88 financial year totalled £73,023. The related business sponsorship amounted to £115,362.

Prisoners (Statistics)

Mr. Corbyn: To ask the Secretary of State for Northern Ireland how many *(a)* life sentence prisoners and *(b)* prisoners detained during the pleasure of the Secretary of State there are in Northern Ireland's prisons, excluding those who have been given release dates; and how many in each category are Loyalist, Republican and undifferentiated prisoners.

Mr. Stanley: The information requested is as follows:

Persons serving indeterminate sentences as at 9 May 1988 excluding those who have been given release dates

	Number
Life	
Loyalist	206
Republican	154
Others	31
Total	391
SOSP	
Loyalist	4
Republican	21
Others	3
Total	28
Overall Total	419

Note: The classifications in the table are based on the believed paramilitary affiliations of the prisoners at the time of their arrest.

Mr. Corbyn: To ask the Secretary of State for Northern Ireland how many *(a)* life sentence prisoners and *(b)* prisoners detained during the pleasure of the Secretary of State have been given release dates in each year since the setting up of the Northern Ireland life sentence review board; and how many in each category were Loyalist, Republican and undifferentiated prisoners.

Mr. Stanley: I refer the hon. Member to the reply given by my right hon. Friend the Secretary of State to the hon. Member for Leicester, South (Mr. Marshall) on 14 March at columns *447-48*.

Mr. Corbyn: To ask the Secretary of State for Northern Ireland how many *(a)* life sentence prisoners and *(b)* prisoners detained during the pleasure of the Secretary of State have been released on licence each year since 1980; how many in each category were Loyalist, Republican and undifferentiated prisoners; and what was the average length of sentence served by Loyalist, Republican and undifferentiated prisoners in each category.

Mr. Stanley: The information requested is as follows:

Persons serving life/pleasure released on licence since 1980

Year	Life			SOSP			Totals
	Loyalist	Republican	Others	Loyalist	Republican	Others	
1980	—	1	1	—	—	—	2
1981	1	1	1	—	1	—	4
1982	1	—	5	—	—	1	7
1983	1	—	1	2	—	—	4
1984	2	—	—	—	—	—	2

Year	Life			SOSP			
	Loyalist	Republican	Others	Loyalist	Republican	Others	Totals
1985	2	2	—	5	2	—	11
1986	1	2	1+(1)[1]	5	5	—	14+(1)[1]
1987	8	7	2	4	7	—	28
1988 (to date)	2	6	1	3	1	—	13
TOTALS	18	19	12+(1)[1]	19	16	1	85+(1)[1]
Average years served	11·82	11·10	10·07	10·56	10·59	10·33	—

[1] One person originally released on licence in August 1977 had his licence revoked in February 1983: he was subsequently re-released on licence in October 1986.
Note: The classifications in the table are based on the believed paramilitary affiliations of the prisoner at the time of their arrest.

Northern Ireland Hospice

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland when his Department hopes to be in a position to provide additional financial help to the Northern Ireland Hospice to enable it to meet the financial consequences of the recent nurses' pay review; and if he will make a statement.

Mr. Needham *[holding answer 9 May 1988]:* The Department's policy is to offer financial help towards the administration costs of the regional office of voluntary bodies. Boards may help with service costs which includes nurses' salaries. The Department is committed to helping the Northern Ireland Hospice with its central administration costs and will be informing the hospice shortly of the level of grant-aid available for the 1988-89 year.

New Hospital (Antrim)

Rev. Ian Paisley: To ask the Secretary of State for Northern Ireland what are the estimated running costs per annum of the first half of the proposed new hospital at Antrim.

Mr. Needham *[holding answer 9 May 1988]:* I would refer the hon. Gentleman to my reply to the hon. Member for Antrim, East (Mr. Beggs) on 13 April 1988.

FOREIGN AND COMMONWEALTH AFFAIRS

Pakistan

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations have been made by Her Majesty's ambassador to Pakistan and the Government of Pakistan concerning prison conditions.

Mr. Mellor: The Government of Pakistan are well aware of our concern for human rights in Pakistan. There has been no specific representation about prison conditions.

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what visits to prisons have been made by British embassy staff in Pakistan in the past year.

Mr. Mellor: British embassy staff have made one prison visit in the past year to see a British citizen detained in Peshawar. In addition, staff from the consulate general in Karachi have visited another British prisoner on approximately 15 occasions.

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs how many meetings Her Majesty's embassy in Pakistan has had with opposition political parties, human rights groups and trades unions in the last year.

Mr. Mellor: British embassy staff, including Her Majesty's ambassador, have frequent meetings with a wide range of political contacts, including opposition leaders, human rights activists and trade union leaders.

Denmark

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Government of the United States of America concerning the non-nuclear defence policies of the Government of Denmark.

Mr. Mellor: Allied Governments discuss fully together all issues related to our ability to maintain collective defence and security.

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made on behalf of Her Majesty's Government to the Government of Denmark concerning their non-nuclear defence policy.

Mr. Mellor: Denmark's policy on nuclear weapons is of long standing, and is well-known to her allies in NATO. Denmark is also well aware of her allies' views on nuclear issues, including those of Her Majesty's Government.

Bolshevik Revolution

Mr. Galloway: To ask the Secretary of State for Foreign and Commonwealth Affairs when those British citizens entitled to compensation for the confiscation of their property, during the Bolshevik revolution of 1917 will receive the funds; and if he will make a statement.

Mr. Mellor: It is hoped that payments to successful property claimants will be made towards the end of 1989. At the same time, a final payment will be made to successful bond claimants who received an interim payment of 10 per cent. of the face value of a bond at the end of last year.

Gibraltar (Shootings)

Mr. Madden: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has as to when the inquest into the Gibraltar killings is to be held.

Mr. Mellor: The Gibraltar authorities have announced that the inquest will open on 27 June.

Swiss Companies (Share Ownership)

Mr. Gregory: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Swiss Government on the subject of barriers to share ownership by United Kingdom companies and individuals in Swiss companies; and if he will make a statement.

Mr. Mellor: There have been no representations on this specific issue, but discussions between the Community and EFTA countries cover a wide range of trade issues, including the impact of the single market 1992 campaign.

NATIONAL FINANCE

Exchange Rates

3. **Mr. Worthington:** To ask the Chancellor of the Exchequer what estimates he has made of the effect on the United Kingdom balance of payments of recent changes in the sterling/United States dollar exchange rate.

59. **Mr. Nigel Griffiths:** To ask the Chancellor of the Exchequer what estimates he has made of the effect on the United Kingdom balance of payments of recent changes in the sterling exchange rate.

Mr. Lawson: The outcome for the current account of the balance of payments depends on many more factors than just the sterling-dollar exchange rate. Much more important for the maintenance of competitiveness is the need to control unit costs.

Inheritance Tax

9. **Mr. Soames:** To ask the Chancellor of the Exchequer how many rates of inheritance tax have been eliminated since 1979.

Mr. Norman Lamont: In 1979 there were 14 rates of capital transfer tax chargeable on death, and 17 rates chargeable on lifetime transfers. There is now a single rate of inheritance tax.

Take-home Pay

15. **Mr. Dickens:** To ask the Chancellor of the Exchequer what was the percentage increase in real take-home pay for a married man on half average earnings with two children *(a)* from 1973-74 to 1978-79 and *(b)* from 1978-79 to 1988-89.

26. **Mr. Wood:** To ask the Chancellor of the Exchequer what was the percentage increase in real take-home pay for a married man on half average earnings with two children *(a)* from 1973-74 to 1978-79 and *(b)* from 1978-79 to 1988-89.

55. **Mr. Heddle:** To ask the Chancellor of the Exchequer what was the percentage increase in real take-home pay for a married man on half average earnings with two children *(a)* from 1973-74 to 1978-79 and *(b)* from 1978-79 to 1988-89.

70. **Mr. Gerald Bowden:** To ask the Chancellor of the Exchequer what was the percentage increase in real take-home pay for a married man on average earnings with two children *(a)* from 1973-74 to 1978-79 and *(b)* from 1978-79 to 1988-89.

Mr. Norman Lamont: His real take-home pay is expected to have risen by 21¼ per cent. since 1978-79 compared with just over 4 per cent. between 1973-74 and 1978-79.

Disposable Income

18. **Mr. Robert B. Hughes:** To ask the Chancellor of the Exchequer if he will make a statement on the current level of real personal disposable income in the United Kingdom.

Mr. Major: Real personal disposable income in 1987 is estimated to have been 15 per cent. higher than in 1979. Further growth is expected this year.

Balance of Payments

20. **Mr. Battle:** To ask the Chancellor of the Exchequer what is his latest estimate of the balance of payments deficit for 1988-89.

Mr. Major: At Budget time, my right hon. Friend the Chancellor of the Exchequer forecast a current account deficit of £4 billion for 1988 as a whole.

Labour Statistics

21. **Mr. Colin Shepherd:** To ask the Chancellor of the Exchequer by how much total employment rose in the United Kingdom in 1987.

23. **Mr. Brandon-Bravo:** To ask the Chancellor of the Exchequer by how much total employment rose in the United Kingdom in 1987.

Mr. Major: Total employment in the United Kingdom rose by half a million in 1987, the largest annual increase for 30 years.

Export Performance

22. **Mr. Beaumont-Dark:** To ask the Chancellor of the Exchequer what account his economic policy takes of the impact of the sterling exchange rate on the export performance of British industry.

Mr. Norman Lamont: The interests of British industry are best served by the Government maintaining their commitment to the defeat of inflation.

Inflation

24. **Mr. Atkinson:** To ask the Chancellor of the Exchequer if he will make a statement on the rate of inflation.

Mr. Brooke: In the 12 months to March 1988 the level of inflation, as measured by the General Index of Retail Prices (RPI), was 3·5 per cent.

25. **Mr. Hardy:** To ask the Chancellor of the Exchequer what is his latest estimate of the rate of inflation; and what he expects it to be by the end of the current year.

Mr. Brooke: My right hon. Friend forecast at the time of the Budget that the RPI will increase in the year to the fourth quarter of 1988 by 4 per cent.

31. **Mr. Andrew MacKay:** To ask the Chancellor of the Exchequer if he will make a statement on the current level of inflation.

Mr. Lilley: In the 12 months to March 1988 the level of inflation, as measured by the General Index of Retail Prices (RPI), was 3·5 per cent.

33, **Mr. Fatchett:** To ask the Chancellor of the Exchequer what is his latest estimate of the rate of inflation for 1988-89.

Mr. Lilley: My right hon. Friend the Chancellor forecast at the time of the Budget that the GDP deflator will increase by 4½ per cent. in 1988-89 over the previous financial year. He forecast the RPI to increase by 4 per cent. in the year to mid-1989.

35. **Mr. Cummings:** To ask the Chancellor of the Exchequer what is his latest forecast for the rate of inflation to the end of 1989.

Mr. Lilley: The Government have not made a forecast for inflation to the end of 1989.

54. **Sir John Farr:** To ask the Chancellor of the Exchequer what is the current annual rate of inflation; and what was the comparable figure 10 years ago.

Mr. Lilley: In the 12 months to March 1988 the level of inflation, as measured by the General Index of Retail Prices (RPI), was 3·5 per cent. In March 1978 the rate was 9·1 per cent.

69. **Ms. Armstrong:** To ask the Chancellor of the Exchequer what is his latest forecast for the rate of inflation for the rest of 1988.

Mr. Lilley: My right hon. Friend the Chancellor forecast at the time of the Budget that the RPI will increase in the year to the fourth quarter of 1988 by 4 per cent.

Mr. McAllion: To ask the Chancellor of the Exchequer what is his latest estimate of the outturn rate of inflation for 1988-89.

Mr. Brooke: I refer the hon. Member to the forecast made in my right hon. Friend's Financial Statement and Budget Report 1988-89, paragraphs 3.45 and 3.46.

Husband and Wife Taxation

27. **Dame Jill Knight:** To ask the Chancellor of the Exchequer if he will estimate the effect upon elderly taxpayers of the change to independent taxation of husband and wife.

49. **Mr. Carrington:** To ask the Chancellor of the Exchequer if he will estimate the effect upon elderly taxpayers of the change to independent taxation of husband and wife.

Mr. Norman Lamont: Over 80 per cent. of the 1·1 million elderly married couples paying tax under the present system will have less tax to pay under independent taxation, and 160,000 elderly couples will be taken out of tax altogether.

40. **Mr. Bellingham:** To ask the Chancellor of the Exchequer what is his estimate of the effect upon married women with small incomes from savings of the change to independent taxation of husband and wife.

50. **Mrs. Gorman:** To ask the Chancellor of the Exchequer what is his estimate of the effect upon married women with small incomes from savings of the change to independent taxation of husband and wife.

Mr. Norman Lamont: It is estimated that, at forecast 1990-91 levels of income, about 700,000 married women with investment income or pensions of less than £1,000 per annum will gain an average of about £140 from the change to independent taxation. A further 800,000 with incomes between £1,000 and £5,000 will gain an average of about £290.

Income Tax

28. **Mr. Nellist:** To ask the Chancellor of the Exchequer what further evidence he has of any link between work incentives and cuts in the highest rates of income tax.

Mr. Norman Lamont: Cutting marginal tax rates undoubtedly gives a stimulus to enterprise, initiative and effort. Cuts in the highest rates will encourage managers and skilled professionals to work and pay tax in this country rather than abroad. These effects inevitably take some time to build up. A number of econometric studies identify a positive incentive effect, despite tending to look only at the short term. Since top tax rates were cut in 1978-79 the share of tax paid by the top 5 per cent. of taxpayers has increased from 24 to 30 per cent.

39. **Miss Widdecombe:** To ask the Chancellor of the Exchequer what is the weekly value to a married man on half average male earnings of the changes in income tax for 1988-89.

48. **Mr. Brazier:** To ask the Chancellor of the Exchequer what is the weekly value to a married man on half average male earnings of the changes in income tax for 1988-89.

Mr. Norman Lamont: £2·43. The calculation assumes that the wife has no earnings and that the only allowance or relief claimed is the married man's allowance.

42. **Mr. Shersby:** To ask the Chancellor of the Exchequer what is his estimate of the weekly value to the average pensioner couple of the changes in income tax for 1988-89.

52. **Mr. Andy Stewart:** To ask the Chancellor of the Exchequer what is his estimate of the weekly value to the average pensioner couple of the changes in income tax for 1988-89.

Mr. Norman Lamont: I refer my hon. Friend to the answer given earlier today by my right hon. Friend the Chief Secretary to my hon. Friend the Member for Keighley (Mr. Waller).

76. **Mr. Neil Hamilton:** To ask the Chancellor of the Exchequer how many higher rates of income tax have been eliminated since 1979.

Mr. Norman Lamont: Since 1979 the number of higher rates has been reduced from nine to just one. In addition the investment income surcharge has been abolished.

Manufacturing Output

29. **Mr. Hannam:** To ask the Chancellor of the Exchequer by how much manufacturing output has increased since the first half of 1979.

37. **Mr. Hind:** To ask the Chancellor of the Exchequer by how much manufacturing output has increased since the first half of 1979.

47. **Mr. Robert B. Jones:** To ask the Chancellor of the Exchequer by how much manufacturing output has increased since the first half of 1979.

Mr. Major: In the three months to February 1988 manufacturing output was 2½ per cent. higher than in the first half of 1979.

Manufacturing Investment

30. **Mr. Greg Knight:** To ask the Chancellor of the Exchequer if he will make a further statement on the outlook for manufacturing investment in 1988.

68. **Mr. Fallon:** To ask the Chancellor of the Exchequer if he will make a further statement on the outlook for manufacturing investment in 1988.

Mr. Major: The Budget forecast projected growth of 11½ per cent. in manufacturing investment in 1988. The April CBI industrial trends survey also points to strong investment growth, with the balance of firms expecting to increase investment in plant and machinery over the next 12 months at the highest level for 15 years.

VAT (Books and Newspapers)

32. **Mr. Cohen:** To ask the Chancellor of the Exchequer what representations he has received on the zero-rating for value added tax of books and newspapers.

Mr. Lilley: My right hon. Friend the Chancellor has received a number of representations in favour of maintaining VAT zero rating for books and newspapers.

Finance (No. 2) Bill

34. **Mr. Tim Smith:** To ask the Chancellor of the Exchequer what representations he has received following publication of the Finance (No. 2) Bill.

Mr. Norman Lamont: My right hon. Friend has received a number on various subjects.

Married Persons' Tax Allowance

36. **Mr. Marlow:** To ask the Chancellor of the Exchequer what representations he has received seeking an amendment to the Finance (No. 2) Bill to provide for the married persons' tax allowance to vary according to the number of dependent children; what response he has made; and if he will make a statement.

Mr. Norman Lamont: I am not aware of any representations on this point. Child tax allowances formerly gave taxpayers a measure of support for children but were abolished in 1979 following the introduction of child benefit.

Balance of Payments

38. **Mr. Fisher:** To ask the Chancellor of the Exchequer what he now expects the balance of payments deficit to be for 1988-89.

75. **Mr. Andrew Smith:** To ask the Chancellor of the Exchequer what is his present forecast of the balance of payments current account deficit for 1988.

Mr. Major: I refer the hon. Members to the reply given earlier today by my right hon. Friend the Chancellor of the Exchequer to the hon. Member for Liverpool, West Derby (Mr. Wareing).

Alcoholic Beverages (Duties)

41. **Mr. Colvin:** To ask the Chancellor of the Exchequer what is his estimate of the cost in terms of lost revenue of harmonising the duties on alcoholic beverages.

Mr. Lilley: On the basis of the Commission's proposals, around £2·5 billion per year.

Corporation Tax

43. **Mr. Jack:** To ask the Chancellor of the Exchequer by how much the standard rate of corporation tax has been reduced since 1979.

Mr. Norman Lamont: The main rate of corporation tax was 52 per cent. for the financial year commencing 1 April 1979. The proposed rate for 1988-89 is 35 per cent.

Interest Rates

44. **Mr. Hunter:** To ask the Chancellor of the Exchequer if he will make a statement on the current level of interest rates.

Mr. Lilley: Bank base rates are 8 per cent.

Retail Price Inflation

45. **Mr. McLoughlin:** To ask the Chancellor of the Exchequer what has been the average of retail price inflation over the past five years.

78. **Mr. David Martin:** To ask the Chancellor of the Exchequer what has been the average of retail price inflation over the past five years.

Mr. Lilley: About 4·6 per cent.

Exchange Rates

46. **Mr. Oppenheim:** To ask the Chancellor of the Exchequer when he next proposes to meet the Finance Ministers of the Group of Seven countries to discuss exchange rates.

Mr. Lilley: My right hon. Friend the Chancellor meets his opposite numbers in the major industrial countries from time to time to discuss a range of international economic issues.

Tax Breaks

51. **Dr. Twinn:** To ask the Chancellor of the Exchequer how many tax breaks are eliminated or reduced by the Finance (No. 2) Bill 1988.

Mr. Norman Lamont: I refer my hon. Friend to the reply I gave earlier today to my hon. Friend the Member for Gravesham (Mr. Arnold).

Output

53. **Mr. Wolfson:** To ask the Chancellor of the Exchequer what was the growth of output in 1987.

Mr. Watts: To ask the Chancellor of the Exchequer what was the growth of output in 1987.

Mr. Major: The output measure of gross domestic product at constant factor cost (1980 prices) for 1987 was 4·8 per cent. higher than the corresponding figure for 1986. Over the same period the average measure of GDP rose by 4·4 per cent.

Capital Gains Tax

56. **Mr. Allen:** To ask the Chancellor of the Exchequer what is his latest estimate of the financial effect in a full year of the changes in capital gains tax for gains made before 1982 announced in the Budget.

Mr. Norman Lamont: For gains realised in 1988-89, the full-year cost of bringing forward the base date for capital gains to 31 March 1982 is estimated to be £120 million for individuals and trusts and £250 million for companies.

Where assets were acquired before April 1982 gains accruing since then will remain in charge and for individuals and trusts will be affected by other changes announced in the Budget.

Golden Handshakes

57. **Mr. Sean Hughes:** To ask the Chancellor of the Exchequer what is his latest estimate of the financial effect on the Exchequer in a full year of the changes in taxation arrangements for executive golden handshakes announced in the Budget.

Mr. Norman Lamont: Assuming no consequential changes to the distribution of termination payments, the proposed increase in the tax-free slice of termination payments from £25,000 to £30,000 and abolition of the reduced rates of tax which applied to the next £50,000 of such payments are expected to lead to a small yield of £1 million to £2 million in a full year.

Tax Changes

58. **Mr. Simon Hughes:** To ask the Chancellor of the Exchequer what will be the estimated revenue effect of the Budget increase tax changes as they affect *(a)* the top 5 per cent. of earners and *(b)* the bottom 5 per cent. of earners.

Mr. Norman Lamont: The direct revenue costs in a full year of the Budget income tax changes above indexation for the top 5 per cent. of taxpayers, who will nearly all have earned income, are about £2·7 billion. The corresponding figure for the bottom 5 per cent. of people with some earned income is negligible since the levels of earnings will be below tax thresholds.

Inheritance Tax

60. **Mr. George Howarth:** To ask the Chancellor of the Exchequer what is his latest estimate of the net effect on the Exchequer of the changes in inheritance taxation announced in the Budget.

Mr. Norman Lamont: The net effect of the Budget changes in inheritance tax is estimated at a full-year cost of £220 million measured from an indexed base.

Corporate Investment and Production

61. **Mr. Anthony Coombs:** To ask the Chancellor of the Exchequer what percentage increases there have been in corporate investment and production between 1983 and 1987 in the United Kingdom; what changes have been made in levels of personal income tax in this period; and what information he has on comparable figures for France.

Mr. Major: Between 1983 and 1987 business investment in the United Kingdom increased by 17 per cent.—more than in France where it increased by only 9 per cent. Figures for the growth of output of the United Kingdom corporate sector are not readily available, but over the same period the output of the production industries, which exclude agriculture forestry and fishing construction and services, increased by 11 per cent. in the United Kingdom. In France the corresponding figure was 4¼ per cent.

In 1983-84, the basic rate of income tax was 30p in the pound and it had been reduced to 27p by 1987-88. Comparisons with France are difficult because of the different tax structure. But, over the same period, the scale of personal tax rates in France did not change for most people.

Foreign Exchange Intervention

62. **Mr. Maclennan:** To ask the Chancellor of the Exchequer if he will make it his policy to publish detailed analyses of foreign exchange intervention.

Mr. Lilley: No. It is the long-standing practice of successive Governments not to reveal details of foreign exchange intervention.

Tax and Prices Index

63. **Mr. Hayward:** To ask the Chancellor of the Exchequer what was the rise in the tax and prices index in the 12 months to March 1988.

Mr. Lilley: In the 12 months to March 1988 the tax and price index rose by 1·6 per cent.

Productivity

64. **Mr. Simon Coombs:** To ask the Chancellor of the Exchequer what are the latest figures for the growth in United Kingdom productivity since 1980.

Mr. Major: Whole economy output per head rose at an average annual rate of 2·7 per cent. between 1980 and 1987. Manufacturing output per head rose at an average annual rate of 5·1 per cent. between 1980 and the three months ending in February 1988.

Pensioners (Tax)

65. **Mr. Kennedy:** To ask the Chancellor of the Exchequer what representations he has received seeking an amendment to the Finance (No. 2) Bill to alter the marginal tax rate position of pensioners; what response he has made; and if he will make a statement.

Mr. Norman Lamont: I refer the hon. Member to the reply given by my right hon. Friend the Chief Secretary to my hon. Friend the Member for the Isle of Wight (Mr. Field) on 31 March 1988 at column *609*.

Bank of England (Governor)

66. **Mr. Boateng:** To ask the Chancellor of the Exchequer when he last met the Governor of the Bank of England; and what matters were discussed.

Mr. Lilley: My right hon. Friend the Chancellor meets the governor from time to time to discuss a variety of matters.

Overseas Assets

67. **Mr. Key:** To ask the Chancellor of the Exchequer what is his latest estimate of the stock of United Kingdom net overseas assets.

Mr. Major: I refer my hon. Friend to the answer given earlier today by my right hon. Friend the Paymaster General to my hon. Friend the Member for Mid-Worcestershire (Mr. Forth).

Public Sector Debt

71. **Mr. Yeo:** To ask the Chancellor of the Exchequer when he next expects to publish a revised estimate for the public sector debt repayment for 1988-89.

Mr. Major: A revised estimate for 1988-89 will be published in the Autumn Statement.

Convergence

72. **Mr. Dykes:** To ask the Chancellor of the Exchequer when he next plans to discuss problems of economic and financial convergence with his EEC counterparts.

Mr. Brooke: The next meeting of the European Community's Economic and Finance Council is expected to be on 6 June. There is also an informal meeting of European Community Finance Ministers on 14-15 May.

Avgas

73. **Mr. Wallace:** To ask the Chancellor of the Exchequer what representations have been received regarding the excise duty on Avgas.

Mr. Lilley: My right hon. Friend has received a number of representations regarding the excise duty on Avgas.

Company Profitability

74. **Mr. Stevens:** To ask the Chancellor of the Exchequer what is his latest estimate of the rise in company profitability in 1987.

Mr. Major: The profitability of non-North sea industrial and commercial companies is provisionally estimated to have risen by 1½ percentage points between 1986 and 1987 to 10½ per cent.—the highest level for about 20 years.

Job Creation

77. **Mr. Sumberg:** To ask the Chancellor of the Exchequer what estimates he has of the effect of his Budget on job creation in the north-west.

Mr. Major: My right hon. Friend's Budget provides the best possible environment for economic growth and enterprise in all parts of the country, including the north-west. The number of unemployed in the north-west has fallen by over 20 per cent. since June 1986 and over the past year the unemployment rate in the north-west has fallen by more than in any region other than the west midlands.

Company Tax Allowances

79. **Mr. Ronnie Campbell:** To ask the Chancellor of the Exchequer what is his policy towards the proposal from the Commission of the European Communities to harmonise company tax allowances.

Mr. Lamont: I understand that preliminary draft proposals by the European Commission for harmonisation of the business tax base are at present in preparation. The Government will study the proposals and have an opportunity to comment on them when they have been communicated formally to the Council of Ministers in due course.

Spending Power

Mr. Ralph Howell: To ask the Chancellor of the Exchequer if he will state the average increase in net weekly spending power of a man with two children of seven and 11 years and a non-working wife for each extra £1 he earns if he increases his pay from *(a)* £100 to £110, *(b)* £110 to £120, *(c)* £120 to £130, *(d)* £130 to £140 and *(e)* £140 to £150, assuming he pays average rent and rates.

Mr. Norman Lamont: The figures are set out in the table. The man is assumed not to be contracted out of SERPs, to claim family credit and to claim only the married man's allowance. The figures take account of the Budget changes in income tax and of the new benefit system from April 1988. The family would not be entitled to rent or rate rebates.

Increase in net spending power per £1 of extra earnings for married man with children aged 7 and 11, paying average rent and rates

Range of increase in weekly income	*Extra net spending power per £1 of extra earnings*
(a) From £100 to £110	0·14
(b) From £110 to £120	0·20
(c) From £120 to £130	0·20
(d) From £130 to £140	0·20
(e) From £140 to £150	0·20

Employment

Mr. Sumberg: To ask the Chancellor of the Exchequer by how much total employment rose in the United Kingdom in 1987.

Mr. Major: Total employment in the United Kingdom rose by half a million in 1987, the largest increase in 30 years.

Stock Exchange

Mr. Butler: To ask the Chancellor of the Exchequer when he last met the chairman of the stock exchange; and what matters were discussed.

Mr. Lilley: My right hon. Friend has meetings with the chairman of the stock exchange from time to time.

Retail Price Index (Error)

Mr. McAllion: To ask the Chancellor of the Exchequer on what basis he made his decision to refuse compensatory payments to those public sector pensioners who lost financially as a result of the Government's error in calculating the retail price index.

Mr. Brooke: I have nothing to add to the answer I gave to my hon. Friend the Member for Croydon, South (Sir W. Clark) on 18 December 1987 at columns *845-46*.

WALES

Limb Fitting

Dr. Marek: To ask the Secretary of State for Wales (1) if he will list the existing facilities for limb fitting in Wales, whether he has any plans for extending the facilities available or providing new facilities; and if he will make a statement.

(2) what action is proposed to reduce travelling time and distances to existing limb fitting centres: and if he will make a statement.

Mr. Grist: Limb fitting clinics are held at the artificial limb and appliance centres (ALAC) at Cardiff and Morriston. Patients in north Wales currently attend limb fitting clinics at Liverpool ALAC, although, as announced in Welsh health circular 87/11, it is intended to establish satellite ALACs in north Wales. The Welsh Health Common Service Authority, which is now responsible for the artificial limb and appliance service in Wales, will be pursuing this in discussion with health authorities and others.

The circular also referred to the need for improved transport facilities for patients travelling long distances from north Wales to Merseyside. Funds have since been made available to the Gwynedd health authority to enable fast, comfortable ambulance transport to be provided for such patients travelling to the regional radiotherapy facilities and the ALAC in Merseyside.

Hospital Waiting lists

Mr. Roy Hughes: To ask the Secretary of State for Wales (1) what proposals he has to reduce the waiting list for urgent cases in Gwent hospitals;

(2) what proposals he has to reduce the waiting list for non-urgent cases in Welsh hospitals;

(3) what proposals he has to reduce the waiting list for *(a)* orthopaedic and *(b)* general operations in Wales;

(4) what proposals he has to reduce the waiting list for ear, nose and throat treatment in Gwent;

(5) What proposals he has to reduce the waiting list for out-patient treatment in Welsh hospitals;

(6) what proposals he has to reduce the waiting list for in-patient treatment in Gwent.

Mr. Grist: The management of waiting lists is the responsibility of the relevant district health authority. Authorities have been asked to submit to the Welsh Office revised action plans which identify the continuing problem areas and put forward solutions.

A total of £2 million has been allocated to authorities in Wales over the last two years to help them implement schemes for tackling the worst waiting list problems and a further £1 million is available in the current year. Distribution of these funds is being considered in the light of the revised action plans which have just been received.

NHS Funding

Mr. Roy Hughes: To ask the Secretary of State for Wales what additional funds he plans to make available to the Health Service in *(a)* Wales, *(b)* Gwent and *(c)* Newport.

Mr. Grist: As a result of the Government's decision to fund in full the costs of the recently announced review bodies' awards to doctors, nurses and midwives and professions allied to medicine, an additional £38 million will be made available to the Health Service in Wales in the current financial year. Of this some £5 million is to be allocated to Gwent health authority. It will be the responsibility of that authority to determine its distribution within the district. The authority will also receive additional allocations during the course of the year from the £9·2 million which was earmarked for centrally directed developments when hospital and community health services' provision for 1988-89 was first announced by my right hon. Friend on 16 December 1987. To date some £900,000 of these central reserves has been set aside for approved and provisionally agreed developments in Gwent. These funds will be formally allocated to the authority as and when the developments proceed.

CIVIL SERVICE

Recycled Paper

Mr. Corbyn: To ask the Minister for the Civil Service what is the total consumption of paper by the Civil Service per year since 1979; and what proportion for each year is recycled.

Mr. Luce: Information of this nature is not available for the Civil Service in general or my Department in particular.

THE ARTS

Natural History Museum

Mr. Faulds: To ask the Minister for the Arts whether, with reference to his written answer on 24 February to the hon. Member for Warley, East, *Official Report*, column *196*, he will now publish in the *Official Report* the number of attendances at the British museum (natural history) during the calendar year 1987; and whether he will at the same time give the number for 1986, together with the percentage figure represented by the difference.

Mr. Luce: I understand that the number of attendances at the British museum (natural history) during 1987 was 1,999,130 compared with 3,239,685 in 1986, a difference of 38·3 per cent.

Items in Lieu of Tax

Mr. Aspinwall: To ask the Minister for the Arts if there have been any items accepted in lieu of tax or allocated since he last made an announcement on the subject to the House.

Mr. Luce: Since my announcement on 1 February, at column *462*, I am pleased to announce a portrait of Captain William Wade by Thomas Gainsborough has been accepted in lieu of estate duty. The offer was conditional on allocation to Bath city council. This acceptance followed the precedent set by the acceptance of Picasso's "Weeping Woman" in that Bath city council agreed to pay the owner the difference (£230,000) between the tax liability to be satisfied, £638,444 and the "special price" of £868,444. This was made possible by a call on the reserve in accordance with the arrangements agreed in July 1985.

I have also decided, subject to the satisfactory completion of the improvements to the Tate's archive storage accommodation, to allocate the archives of the late Lord Clark to the Tate gallery.

Finally, 10 portrait miniatures accepted from the estate of the late right hon. Viscount Harcourt have been allocated; nine to the Victoria and Albert museum and one, a portrait of Mary Sidney, Countess of Pembroke, to the national portrait gallery.

OVERSEAS DEVELOPMENT

Fiji

Miss Lestor: To ask the Secretary of State for Foreign and Commonwealth Affairs what projects are run in Fiji by the Commonwealth Development Corporation; what money is involved in each of them; and what periods the commitments cover.

Mr. Mellor: The Commonwealth Development Corporation is now involved in seven projects in Fiji. It has either provided loan money or taken up equities in each project. The companies or institutions involved, with the amounts, are as follows:

Position at 31 December 1987

	Equity Fiji $ million	*Loan £ million*
Fiji Citrus Products	0·23	0·32
Fiji Development Co Ltd	0·53	0·94
Fiji Electricity Authority	—	13·15
Fiji Pine Commission	—	3·61
Fiji Sugar Corporation	—	4·02
Tropik Wood Industries Ltd	2·00	4·16
Fiji Forest Industries Ltd	—	1·55
TOTAL	2·76	27·75

The equities are not held for any set term. The loans have agreed terms for payment of capital and interest to CDC over varying periods up to the year 2000. The CDC is also negotiating a loan of £5 million to the Fiji Development bank, for on-lending to small farmers and fishermen, to be disbursed by CDC between 1988 and 1991.

Miss Lestor: To ask the Secretary of State for Foreign and Commonwealth Affairs if there has been any new technical co-operation with Fiji since May 1987.

Mr. Mellor: Technical co-operation with Fiji concentrates on manpower support and training. Since May 1987, 17 new awards for training in the United Kingdom have been made and the following new appointments in Fiji have been financed or supplemented from the bilateral country programme:

Financial Adviser to Posts and Telecommunications
Director, Roads and Airfields
Principal Utilisation Officer, Forestry
Director, Water and Sewage.

Miss Lestor: To ask the Secretary of State for Foreign and Commonwealth Affairs what has been the level of United Kingdom aid to Fiji since May 1987; and if he will give figures for the equivalent period for 1986-87.

Mr. Mellor: Assistance to Fiji from the Overseas Development Administration from May 1987 to the end of March 1988 totalled £971,938. The amount for the equivalent period in 1986-87 was £1,003,971. This excludes expenditure by the Commonwealth Development Corporation.

Ethiopia

Miss Lestor: To ask the Secretary of State for Foreign and Commonwealth Affairs what development aid has been given to Ethiopia by the European Community in the last year; and what has been the United Kingdom contribution.

Mr. Mellor: In 1987 the European Community approved three development projects for Ethiopia under the third Lomé convention, namely:

	£ million
Grant funding	
—Integrated training programme linked to the development of the rural sector	4·9
—North Shewa rural development and land reclamation programme	16·6
Risk capital (managed by the European Investment Bank)	
—Development of an opencast gold mine and or treatment plant at Northern Lega Dambi, Sidamo Province	14·5
	36·0

The United Kingdom share of the total funding is about £6 million.

Miss Lestor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list any new aid projects, and any new programme aid agreements for Fiji approved since May 1987.

Mr. Mellor: There have been no financial aid projects or programme aid commitments either from the bilateral country programme or by the Commonwealth Development Corporation. Our bilateral country programme now consits of technical co-operation alone.

UN Aid Target

Mr. Tom Clarke: To ask the Secretary of State for Foreign and Commonwealth Affairs if, pursuant to the answer of 6 May, *Official Report*, column *639*, to the hon. Member for Epping Forest (Sir J. Biggs-Davison); he will tabulate progress made in 1979 in reaching the United Nations aid target of 0·7 per cent. of gross national product.

Mr. Mellor: The information is as follows:

Net official development assistance percentage of gross national product (GNP)

	Per cent.
1979	0·52
1980	0·35
1981	0·43
1982	0·37
1983	0·35
1984	0·33
1985	0·33
1986	[1]0·31

[1] Revised from 0·32 per cent.

ENERGY

Nuclear Fusion (Research)

Mr. Frank Cook: To ask the Secretary of State for Energy (1) whether he proposes to take any action with regard to future funding and support in relation to research in nuclear fusion, on the conclusions of ETSU–R43; what assessment he has made of the extent to which the joint European Torus project provides value for money; and what is his assessment of the prospects for commercial power from nuclear fusion within the next 70 years;

(2) whether he intends to seek independent advice, in addition to that from the United Kingdom Atomic Energy Authority, on the next stage of research funding for nuclear fusion, the next European Torus; whether he will make it his policy to publish any future evaluation of fusion research; whether he will sponsor a conference on the subject; and whether he will make a statement;

(3) if he will seek to obtain for his departmental library a copy of the recently published assessment of nuclear fusion sponsored by the European Parliament and produced by the Centre for Energy Studies at South Bank polytechnic; and whether he will make a statement.

Mr. Michael Spicer: ETSU report, R43, is a document providing background information and, as such, has been available in my Department and influenced continuing decisions on the funding of fusion research for some time. We are currently considering with Euratom partners a proposal to extend to 1992 the life of the joint European Torus project at Culham, which is the only device in the world intended for sustained experiments on deuterium-tritium plasma. Given the need to demonstrate operating reliability of any plant over a number of years, it is unlikely that fusion power will be commercially available before the middle of the next century.

The next decision needed on the next European Torus will be whether to proceed to detailed engineering design. It is common ground between the United Kingdom and its partners that such a decision cannot be made before 1990 or without an independent evaluation of the Community fusion programme. Advice will be needed from many different sources. My Department has seen the interim report by the Centre for Energy Studies, which was prepared for the European Parliament's committee on energy research and technology.

Advanced Gas-cooled Reactors

Mr. Matthew Taylor: To ask the Secretary of State for Energy what information he has on the effect of refuelling advanced gas-cooled reactors on their standard electrical output.

Mr. Michael Spicer: This is an operational matter for the Central Electricity Generating Board, and I have asked the chairman to write to the hon. Member.

Mr. Matthew Taylor: To ask the Secretary of State for Energy what information the Nuclear Installations Inspectorate has on the radiological content of gas released during depressurisation of advanced gas-cooled reactors.

Mr. Michael Spicer: Monitoring the radioactivity of gaseous discharges from AGRs is not a function of the Nuclear Installations Inspectorate. The responsibility for authorising discharges of radioactive substances rests with the authorising Departments (Department of the Environment and the Scottish Development Department).

Nuclear Installations (Refuelling)

Mr. Matthew Taylor: To ask the Secretary of State for Energy if he will publish the reports of the Nuclear Installations Inspectorate on on-load refuelling.

Mr. Michael Spicer: Operators of AGR stations must comply with NII's requirements in respect of safety in order to secure consent for continued operation. The HSE has no plans to publish reports on on-load refuelling.

Civil Plutonium (Exports)

Dr. Thomas: To ask the Secretary of State for Energy if he will list all instances since May 1979 when he has given permission for the export of civil plutonium under section 2(i) of the Nuclear Installations Act 1965.

Mr. Michael Spicer *[holding answer 6 May 1988]*: Since May 1979, permission for the export of civil plutonium under section 2(1) of the Nuclear Installations Act 1965 has been given on 19 occasions.

Information on individual exports is commercially sensitive. The countries of destination are included in the reply by my hon. Friend the Member for Eddisbury (Mr. Goodlad) on 18 February 1987 at column *635* in reply to a question by the hon. Member for Leyton (Mr. Cohen).

EDUCATION AND SCIENCE

Children (Special Educational Needs)

Mr. Wigley: To ask the Secretary of State for Education and Science what recent representations he has received concerning the implications of the report on the teaching of children with special educational needs.

Mr. Dunn: In the past two months, the Department has received about 2,550 representations about the Educational Reform Bill which include reference to children with special educational needs.

Teachers' Superannuation Fund

Mrs. Virginia Bottomley: To ask the Secretary of State for Education and Science whether he has issued any further guidance to independent schools using the teachers' superannuation fund; and if he will make a statement.

Mrs. Rumbold: Information and guidance on teachers' superannuation is provided by means of circular letters to all relevant employers, including independent schools. Since January 1987 four such letters have been issued, covering a wide range of subjects. Of particular relevance to independent schools was Teachers' Pensions Letter No. 89, issued in February 1988, relating to salary increases for teachers approaching retirement.

Education Authorities (Property)

Mr. Corbyn: To ask the Secretary of State for Education and Science what discussions he has had with the local education authorities in areas outside the Inner London education authority regarding the future of their properties within their authority district.

Mr. Dunn: My right hon. Friend has made it clear that he is willing to discuss the future of Inner London education authority property located outside the inner London area both with the inner London councils and with the authorities in whose area it is located. Such discussion is likely to take place in the context of the inner London councils' preparation of their development plans for the education service in their area.

ILEA (Property)

Mr. Corbyn: To ask the Secretary of State for Education and Science if he will list all property owned by the Inner London education authority outside the area served by the Inner London education authority.

Mr. Dunn: Comprehensive information on ILEA's property is held only by the authority itself. Under the provisions of the Education Reform Bill, currently under discussion in another place, the Inner London education authority will be required to make such information available to the inner London boroughs and other local authorities in which Inner London education authority property is located, as well as to my right hon. Friend.

HOME DEPARTMENT

Leicester Prison

Mr. Janner: To ask the Secretary of State for the Home Department for how many prisoners Leicester prison was constructed; how many prisoners it holds at present; how many and what percentage of those prisoners are living three to a cell; what is the size of those cells; how many hours a day those prisoners on average spend locked into those cells; and what is the maximum time spent by prisoners locked in their cells.

Mr. Douglas Hogg: The following is the available information.

Leicester prison was constructed as a county gaol in the 1820s, and information on the capacity of the buildings is not now readily available. The inmate accommodation was demolished and replaced in the 1880s.

On 4 May, 358 prisoners were held: 207 of these were located three to a cell, representing 57 per cent. of the total.

Most prisoners are in cells the dimensions of which are approximately 3·9 m by 2·2 m (8·5 sq m). Other cells vary slightly from these dimensions.

Time spent in cells is difficult to measure systematically because prisoners leave their cells for many different purposes. Locally assembled information shows that, in the seven-day period ended 4 May 1988, prisoners generally spent about 16·5 hours (sentenced prisoners serving 18 months or over) or 17·5 hours (unsentenced prisoners or those serving shorter sentences) locked in cells each day, with the following exceptions: prisoners in the special security unit (13 hours); in security category A and on the escape list (19 hours); in the prison hospital (19·5 hours); and segregated under rule 43 at their own request (19 hours).

The maximum time spent locked in cell may exceptionally extend to 23 hours a day for a small number of prisoners segregated under rule 43 for reasons for good order and discipline or who have reduced mobility due to sickness.

Citizenship Applications

Mr. Janner: To ask the Secretary of State for the Home Department (1) of the applications for citizenship received in each month in the year 1987, how many and what percentage have now been processed; and what was the minimum, the average and the maximum waiting time for those applying for such processing;

(2) pursuant to the answer of 19 April, *Official Report*, column *408*, of the estimated 290,000 citizenship applications received in 1987, how many grants of citizenship were refused; and how many are still in the course of processing.

Mr. Renton: Information is not available in the form requested. The number of applications for British citizenship received in the nationality division, and the number granted and refused, in each month during 1987 is as follows:

1987	*Applications[1] received*	*Granted[2]*	*Refused[2]*
January	4,587	4,874	298
February	4,503	6,728	373
March	4,475	7,255	341

1987	Applications[1] received	Granted[2]	Refused[2]
April	3,552	3,511	410
May	4,295	4,585	387
June	4,869	5,436	411
July	6,539	5,391	409
August	8,616	4,529	313
September	7,070	5,093	434
October	7,557	5,249	464
November	15,512	5,685	365
December	8,443	6,412	308

[1] These figures do not include applications received in Lunar house, but not yet received in the case-working groups.
[2] Provisional figures.

At the end of April there were approximately 250,000 applications for citizenship in the course of processing. Information about maximum and minimum waiting times is not readily available; the average waiting time for applications currently being completed is seven months for registration and 17 months for naturalisation.

Mr. Janner: To ask the Secretary of State for the Home Department (1) how long he estimates that an application for British nationality received by him during the month of January will take before the same is acknowledged and processed, respectively;

(2) approximately how long he estimates that an application for citizenship currently waits at Lunar house before it is opened and acknowledged, respectively;

(3) how many sacks of applications for British nationality are currently awaiting opening at Lunar house.

Mr. Renton: The majority of applications received during January have now been acknowledged. The remainder, and all other current applications (in total about 9,400), will have been opened and acknowledged by the end of this month.

It is not yet possible to estimate how long, on average, it will be before decisions will be reached on applications received during January.

Mr. Janner: To ask the Secretary of State for the Home Department what is his Department's practice in the use of standard acknowledgement forms and standard processing methods in respect of applications for British nationality; and whether he will place in the Library copies of such standard forms and of all processing documents.

Mr. Renton: We make the fullest practicable use of standard forms and letters in order to hold down the cost of fees payable by applicants. Some 245 forms are at present used in connection with processing applications. Their purpose and method of use would in many cases not be clear without a detailed guide which it would be disproportionately expensive to prepare. For that and other reasons I am not willing to make such forms and documents available in the Library.

Mr. Janner: To ask the Secretary of State for the Home Department how many staff are employed in the processing of applications for British citizenship; and what is his estimate of the average turnover of such staff during the course of a calendar year.

Mr. Renton: The number of staff employed in case-working groups processing applications for British citizenship has varied between 152 and 146 from 1 April 1987 to 31 March 1988, averaging 148 over the year.

These figues do not include staff processing inquiries about citizenship status, dealing with requests for application forms and maintaining the computer records which support the processing of cases.

Over that year the turnover of staff is estimated at 26 per cent.

Mr. Janner: To ask the Secretary of State for the Home Department (1) how long he now estimates it will be before all applicants for British nationality who applied in 1987 will know whether such applications have been successful;

(2) what system his Department follows in processing applications for British nationality;

(3) whether he will institute an inquiry into the delay in opening, acknowledging and processing applications for British nationality; and if he will make a statement.

Mr. Renton: No, since the initial stage of the work to deal with the 290,000 citizenship applications received in 1987, including over 100,000 in December 1987, has now been completed. All these applications have been acknowledged.

Unless there are exceptional reasons for taking a case out of turn, applications will be processed generally in order of receipt. We are considering the response to the recommendation of the Home Affairs Committee in its recent report (HC 340) about the time within which all applications received during 1987 should be decided, and will report our conclusions to the House.

Mr. Janner: To ask the Secretary of State for the Home Department how much money by way of fees in respect of applications for British nationality he estimates to be contained in the citizenship applications currently awaiting opening and acknowledgement at Lunar house.

Mr. Renton: The amount of fees contained in the 9,400 citizenship applications received since late January which await to be opened in Lunar house depends on the proportions of registration and naturalisation applications, but is expected to be in the region of £750,000.

Neighbourhood Watch Scheme

Mr. Moss: To ask the Secretary of State for the Home Department how many neighbourhood watch schemes there are in Cambridgeshire for *(a)* the district council areas and *(b)* the towns of Whittlesey, March, Wisbech and Chatteris; and what were the comparable figures in 1987 and 1986.

Mr. John Patten: I understand that there were 168 neighbourhood watch schemes in Cambridgeshire at the end of April 1988, 66 at the end of April 1987 and seven at the end of April 1986. The total for the current year can be broken down by police sub-division (closely related to the district council areas) and section (equivalent to a town) as follows:

	Number of schemes
(a) Police sub-division	
Peterborough	56
Fenland	28
Huntingdon	31
Cambridge (covers Cambridge City, East and South Cambridgeshire District Council areas)	53

	Number of schemes
(b) Police section	
Whittlesey	1
March	18
Wisbech	7
Chatteris	2

Comparable figures for 1986 and 1987 are not available in this form.

Television (Scotland)

Mr. Macdonald: To ask the Secretary of State for the Home Department what information he has as to *(a)* how many hours of television will be produced for regional consumption by BBC Scotland, STV, Grampian and Border Television in 1988, *(b)* how many hours of television in Gaelic are expected to be broadcast by BBC Scotland, STV, Grampian and Border Television in 1988 and *(c)* what were the equivalent figures for 1987.

Mr. Renton: I understand from the BBC and the IBA that the information sought is as follows:

Table 1
Regional programme production

Programme hours produced per year	*1987*	*1988*
BBC Scotland	863	[1]863
STV	507	496
Grampian	370	364
Border Television	235	[2]260

Table 2
Gaelic programmes

Programme hours transmitted per year	*1987*	*1988*
BBC Scotland	52	52
STV	21	[3]45
Grampian	34·5	[4]39·5
Border Television	—	—

[1] This is a forecast figure based on analogy with previous years.
[2] Border Television's transmission area covers the Isle of Man, northern England and southern Scotland. This figure represents the total output for the region.
[3] This figure includes material made by Grampian Television and an independent production company, and broadcast by STV.
[4] This figure represents Grampian Television programmes only. Grampian anticipates obtaining additional Gaelic programming from STV for transmission during 1988.

Mr. Macdonald: To ask the Secretary of State for the Home Department, what information he has as to how many hours of television will be broadcast as a whole by BBC Scotland, STV, Grampian and Border Television in 1988.

Mr. Renton: I understand that BBC Scotland and the three ITV companies expect to transmit the following numbers of hours of programming during 1988:

Television programme hours to be transmitted in 1988

	Number
BBC Scotland—BBC 1	5,905
BBC 2	4,335
STV	7,686
Grampian	5,512
Border Television	[1]6,010

[1] This figure includes extra programming during the night hours which is expected to begin later in the year.

Gaelic

Mr. Macdonald: To ask the Secretary of State for the Home Department what is his policy towards the broadcasting of television programmes in Gaelic; and if he will make a statement.

Mr. Renton: It is for the broadcasting authorities—the BBC and the IBA—to consider the emphasis which should be given to Gaelic broadcasting. They are responsible for the scheduling of programmes and for their content. I understand they recognise the important part Gaelic has to play in preserving the cultural heritage of Scotland.

Solvent Abuse

Mr. Janner: To ask the Secretary of State for the Home Department if he will introduce legislation to forbid the deliberate inhalation of solvents to create intoxication; and if he will make a statement.

Mr. Douglas Hogg: I refer the hon. and learned Member to the reply I gave to his earlier question on 21 April at col *516*.

Public Record Office

Mr. Allason: To ask the Secretary of State for the Home Department what plans he has to make the H0144 class of files publicly available at the Public Records Office.

Mr. Douglas Hogg: Earlier papers in this class are being reviewed. As part of this review a further release for public inspection of some 3,250 files comprising between 40,000 and 50,000 sub files is planned later this summer.

Domestic Servants

Mr. Corbyn: To ask the Secretary of State for the Home Department what are the total numbers of people admitted to the United Kingdom for each year since 1979 as domestic servants and au pairs; and from which countries.

Mr. Renton: The numbers of au pairs (excluding EC nationals) admitted to the United Kingdom by nationality are published annually in table 1 of "Control of Immigration: Statistics, United Kingdom" (Cm. 166 for the 1986 edition) copies of which are in the Library. The figures for 1987 are as follows:

Numbers of au pairs admitted in 1987

Nationality	*Number*
Austria	820
Cyprus	[1]
Finland	710
Malta	[1]
Norway	600
Sweden	1,850
Switzerland	1,390
Turkey	200
Yugoslavia	480
Other countries and stateless	90
Total	6,150

[1] 5 or less.

Similar information regarding domestic servants and au pairs who are EC nationals is not available.

Asylum

Mr. Corbyn: To ask the Secretary of State for the Home Department how many special hardship visas have *(a)* been applied for at and *(b)* been granted by British posts overseas to people seeking asylum in the United Kingdom in 1986 and 1987; and what are the criteria for deciding such applications.

Mr. Irving: To ask the Secretary of State for the Home Department how many applications for *(a)* asylum and *(b)* severe hardship visas were made at British diplomatic posts overseas in 1986 and 1987, not including applications for resettlement made at diplomatic posts outside the applicant's own country; how many such applications were (i) granted, (ii) refused and (iii) given exceptional leave to remain; and how an applicant qualifies for a severe hardship visa.

Mr. Renton: Assuming that the hon. Members are referring to the practice of entertaining applications made to British posts for asylum seekers wishing to come here, I regret that the figures sought are not available. Applications are referred to the Home Office for decision. Each is considered on its individual merits, in the light, inter alia, of the 1951 United Nations convention relating to the status of refugees and any links the applicant may have with the United Kingdom.

Cruise Missile Convoys

Mr. Corbyn: To ask the Secretary of State for the Home Department if he will call for reports from the chief constables of Wiltshire, Thames Valley and Hampshire, as to the costs of policing cruise missiles convoys, per exercise, for each year since 1984.

Mr. Douglas Hogg: It is not the practice, for both operational and security reasons, to give details of matters relating to exercises conducted by nuclear missile units.

Guildford Pub Bombings

Mr. Corbyn: To ask the Secretary of State for the Home Department when he expects to receive the report from the Metropolitan police concerning the inquiry into the circumstances surrounding the protection of those found guilty of the Guildford pub bombings; and if he will make a statement.

Mr. John Patten: My right hon. Friend received a report from the Avon and Somerset police last month regarding inquiries arising from material submitted to him last year. This is now being considered, together with other matters raised about these convictions, and he expects to reach a conclusion shortly. We are not expecting any report from the Commissioner of Police of the Metropolis.

Paul Hill

Mr. Corbyn: To ask the Secretary of State for the Home Department (1) for what reasons Paul Hill, currently held in Her Majesty's prison Long Lartin was put into solitary confinement; and if he will make a statement;

(2) for how long, during his sentence, Paul Hill, currently held in Her Majesty's prison, Long Lartin, has been held in solitary confinement.

Mr. Douglas Hogg: Mr. Hill has not been in solitary confinement at any time. He has been removed from normal association in the interests of good order and discipline under the terms of prison rule 43 for a total of 585 days, and for offences against discipline has been awarded a total of 181 days cellular confinement. Information about other occasions when he has been segregated, for example under prison rule 48 when awaiting adjudication, is not readily available and could be provided only at disproportionate cost.

Mr. Corbyn: To ask the Secretary of State for the Home Department how many times Paul Hill, currently in Her Majesty's prison Long Lartin, has been moved since first being taken into custody.

Mr. Douglas Hogg: Mr. Hill moved four times before his trial in 1975 and 37 times since returning to prison under sentence, usually in the interests of good order and discipline.

Birmingham Pub Bombings

Mr. Mullin: To ask the Secretary of State for the Home Department if he will make available the text of his reply to the letter he recently received from Amnesty International regarding the conduct of the appeal hearing of the six men convicted of the Birmingham pub bombings.

Mr. John Patten: Arrangements have been made for a copy to be placed today in the Library of the House.

Sunday Trading

Mr. McLoughlin: To ask the Secretary of State for the Home Department when he expects to be able to publish further proposals to amend the current Sunday trading laws; and in what form they will be published.

Mr. Renton: The Government's views are known. They favour complete deregulation of Sunday trading hours but will consider any practicable compromise short of this if a consensus can be achieved.

Prisoners (Diets)

Mr. Clay: To ask the Secretary of State for the Home Department if he will list the total number of inmates in each of Her Majesty's prisons who are following *(a)* vegan diets, *(b)* vegetarian diets, *(c)* gluten-free diets and *(d)* diabetic diets.

Mr. Douglas Hogg: The information requested could be obtained only at disproportionate cost.

P and O Dispute

Mr. Dobson: To ask the Secretary of State for the Home Department (1) further to the statement on the P and O dispute on 5 May, *Official Report*, column 1017, if he will give details of each offence for which people were arrested, the date and place of each arrest and whether the person arrested has been convicted;

(2) further to the statement on the P and O dispute on 5 May, *Official Report*, column 1017, whether any arrests have been made following alleged threats of intimidation; and to whom the threats were reported.

Mr. Douglas Hogg: The information up to 10 May is as follows:

Date	
16 April	One arrest for obstruction (cautioned and released).
18 April	One arrest for assault on the police, entering and remaining on the docks without authority and obstruction (charged and bailed to appear in court on 23 May).
26 April	Four arrests for assault on the police and obstruction (all charged and bailed to appear in court on 6 June).
27 April	Two arrests for breach of the peace (released without being charged).
29 April	One arrest for breach of the peace (released without being charged).
30 April	One arrest for breach of the peace (released without being charged); and two arrests under section 4 of the Public Order Act 1986 (one charged and bailed to appear in court on 6 June and one released without charge); and one arrest under section 5 of the Public Order Act 1968 (charged and bailed to appear in court on 6 June).
5 May	One arrest under section 5 of the Public Order Act 1986 (charged and bailed to appear in court on 13 June); and one arrest for obstruction of the highway and breach of the peace (charged and bailed to appear in court on 13 June).
6 May	One arrest for criminal damage to the homes of two working seamen (charged, bailed and due to re-appear in court on 19 May).
10 May	One arrest for criminal damage to a working seaman's vehicle (charged and due to appear in court on 11 May).

All the arrests except those for criminal damage occurred in close proximity to Dover eastern dock. Reports to the police of intimidation are being recorded and investigated.

Solvent Abuse

Mr. Janner: To ask the Secretary of State for the Home Department how much money Her Majesty's Government have spent, either directly or through grants to independent organisations, on educational material warning of the dangers of solvent abuse, in each of the last 10 years for which figures are available.

Mrs. Currie: I have been asked to reply.

Details of expenditure in the years for which figures are available were given in my reply to the hon. and learned Member on 20 April at column *463*.

DEFENCE

Scout Movement

Mr. Ronnie Campbell: To ask the Secretary of State for Defence what information his Department keeps on the Scout movement; why the information is collected; who supplies the information to his Department; who has access to the information; and why parents were not asked for permission.

Mr. Freeman: What information the Ministry has is provided by the Scout movement itself, and relates primarily to the operation of the Scout movement in north-west Europe. Here the army assists with the administration of the movement but policy, organisation, records and running the Scouts remain the responsibility of the movement which maintains a civilian field commissioner in Germany for this purpose.

Energy Efficiency

Mr. Rowlands: To ask the Secretary of State for Defence what are his Department's target reductions in energy usage for 1988-89; what is his Department's target reduction in electricity usage for lighting in 1988-89; and what investment his Department is planning to make in new energy efficient lighting equipment in 1988-89 to achieve those target reductions.

Mr. Freeman: The Ministry of Defence's target reduction in non-operational energy usage for 1988-89 is almost £10 million in cash terms. Electricity used for lighting is not separately identifiable from electricity consumption as a whole, and it is therefore not possible to say how much of this is attributable to electric lighting. I regret that it would not be possible to identify investment in new energy-efficient lighting planned for 1988-89 without disproportionate cost.

Fiji (Military Personnel)

Miss Lestor: To ask the Secretary of State for Defence if any military personnel from Fiji have received training within the United Kingdom or in the United Kingdom bases overseas since May 1987; and if he will make a statement.

Mr. Ian Stewart: Since May 1987 no member of the Fijian armed forces has received training, either within the United Kingdom or in the United Kingdom bases overseas.

Cruise Missiles

Mr. Corbyn: To ask the Secretary of State for Defence what discussions have taken place with *(a)* the North Atlantic Treaty Organisation headquarters and *(b)* the Government of the United States of America concerning the continued deployment and disposal of cruise missiles in Britain; and if he will make a statement.

Mr. Ian Stewart: Such discussions are confidential.

Mr. Corbyn: To ask the Secretary of State for Defence how many times per month since 1984, cruise missile exercises have been conducted from RAF Greenham Common.

Mr. Ian Stewart: No exercises involving cruise missiles have been conducted from Greenham Common.

Mrs. Fyfe: To ask the Secretary of State for Defence whether he has, in the course of his frequent meetings with North Atlantic Treaty Organisation colleagues, discussed the possible deployment of further sea-launched cruise missiles as part of the maintenance of nuclear forces.

Mr. Ian Stewart: I have nothing to add to the reply I gave to the hon. Member on 26 April at column *144*.

Stornoway (US Officers' Visit)

Mr. Macdonald: To ask the Secretary of State for Defence what was the purpose of the visit of a group of United States military officers to Stornoway on 16 February.

Mr. Freeman: I believe the visit to which the hon. Member refers involved two United States officers who passed through RAF Stornoway in connection with a visit to an exercise in the north Atlantic.

Gibraltar (Shootings)

Mr. Dalyell: To ask the Secretary of State for Defence if he will state the rules of engagement under which service personnel operated in Gibraltar in shooting three IRA personnel.

Mr. Ian Stewart: The material facts concerning the deaths of the terrorists will be considered by the coroner in Gibraltar, acting with a jury, in accordance with the normal procedures for the conduct of inquests under Gibraltar law. The purpose of the inquest will be to determine how the terrorists died and it would not be appropriate for me to make any further comment before then.

HOUSE OF COMMONS

Party Political Promotions

Ms. Ruddock: To ask the Lord President of the Council what is his policy on the use of parliamentary resources and facilities for the purposes of promoting a political party.

Mr. Wakeham: It is a long-standing convention of the House that the resources and facilities extended to individual Members and political parties should not be used for the furtherance of political interests. That principle has always governed the rulings of the House authorities and the Services Committee.

Annie's Bar

Mr. Cryer: To ask the Lord President of the Council what is the annual turnover of Annie's Bar; and which members of the press have access.

Mr. Wakeham: The annual turnover of Annie's Bar up to 31 March 1988 was £21,790 excluding VAT. Access is restricted to some Lobby correspondents and to the heads of the parliamentary staff and sketch writers of certain newspapers and press agencies.

Line of Route

Mr. Ken Hargreaves: To ask the Lord President of the Council if there are any plans to reverse the present line of route so that it commences at Westminster Hall and finishes at the Norman Porch; and if he will make a statement.

Mr. Wakeham: There are no such plans. This proposal was considered by the Accommodation and Administration Sub-Committee on 10 February 1986 when it was rejected, mainly because of the security implications.

Mr. Ken Hargreaves: To ask the Lord President of the Council if he will raise the present line of route with the Select Committee on House of Commons (Services); and if he will make a statement.

Mr. Wakeham: The arrangements for parties on the line of route are kept under continuous review by the Accommodation and Administration Sub-Committee of the Services Committee. In the past two years, several measures have been introduced to improve these arrangements, on the recommendation of the Accommodation and Administration Sub-Committee and with the approval of the Services Committee.

EMPLOYMENT

Labour Statistics

80. **Mr. Kirkhope:** To ask the Secretary of State for Employment in which regions adult unemployment has fallen in the United Kingdom over the last 12 months.

81. **Mr. Michael Brown:** To ask the Secretary of State for Employment in which regions adult unemployment has fallen in the United Kingdom over the last 12 months.

82. **Mr. Madel:** To ask the Secretary of State for Employment in which regions adult unemployment has fallen in the United Kingdom over the last 12 months.

Mr. Lee: Unemployment has fallen in all regions of the United Kingdom over the last 12 months. The largest falls in the unemployment rate have been in the west midlands, the north-west and Yorkshire and Humberside.

Earnings

Mr. John Marshall: To ask the Secretary of State for Employment if he will make a statement about the trend of earnings.

Mr. Nicholls: The underlying trend in the growth of average earnings over the economy as a whole increased last autumn, since when it has been running at 8½ per cent. a year. This follows a period of over four years at about 7½ per cent. Part of this increase is due to the buoyant economy but many basic pay settlements are also too high. Settlements that are not justified by the needs of the enterprise concerned raise costs unnecessarily and are bad for jobs. They discourage recruitment and hold back further output, investment and improved competitiveness on which the growth of employment depends.

Dock Labour Scheme (Levy Payments)

Mr. Nicholas Bennett: To ask the Secretary of State for Employment what was the total management levy and severance levy paid by port employers in each year from 1968 to 1987 for the financing of the dock labour scheme.

Mr. Nicholls: The levy paid by employers was as follows:

	Management £	*Severance* £
1968	1,887,697	—
1969	1,936,387	1,171,884
1970	1,964,779	3,929,558
1971	1,930,892	4,334,907
1972	1,687,386	5,556,306
1973	1,709,761	5,654,089
1974	1,966,083	2,630,184
1975	2,518,947	3,729,800
1976	3,486,540	6,657,361
1977	3,411,061	7,478,529
1978	3,364,555	7,850,456
1979	3,929,712	9,069,435

	Management £	Severance £
1980	4,927,484	9,507,058
1981	5,207,640	12,500,957
1982	5,073,635	12,257,110
1983	4,977,509	10,955,903
1984	4,479,791	11,540,407
1985	4,282,645	5,523,879
1986	4,336,891	1,835,979
1987	4,433,636	2,047,046

Blind Persons (Reader Service)

Mr. Leighton: To ask the Secretary of State for Employment how much money has been allocated to the Manpower Services Commission's personal reader service for the blind for each of the last two years for which figures are available; and of that how much has been spent.

Mr. Nicholls: In 1986-87 £42,660 was allocated to the personal reader service for the blind for YTS and £2,236 was spent. In 1987-88, of the £42,660 allocated, £3,000 was spent. For new JTS £8,000 was allocated for 1987-88. No money has been spent.

Mr. Leighton: To ask the Secretary of State for Employment (1) what was the average cost per trainee of the Manpower Services Commission's personal reader service for the blind for each of the years since it was introduced;

(2) what has been the average number of hours of reading service provided per trainee under the Manpower Services Commission's personal reader service for the blind since its introduction.

Mr. Nicholls: Information on the average number of hours provided and the cost per trainee of the personal reader service for the blind is not available. In YTS, the service is provided for a maximum of 450 hours per trainee over a two-year scheme. In new JTS the service is provided for 225 hours over one year's training with a pro-rata allocation for shorter periods on the scheme. On both schemes, trainees' use of this resource varies according to their individual needs.

Communication Service for the Deaf

Mr. Sims: To ask the Secretary of State for Employment whether he has any plans to extend the communication service for the deaf to the enterprise allowance scheme.

Mr. Cope: The nature of the enterprise allowance scheme means that participants attend very few formal meetings. Interpreters can be provided for deaf people attending the introductory awareness day and for their free business counselling sessions with the small firms service.

Employment Training Programme

Mr. Sims: To ask the Secretary of State for Employment whether the employment training programme will include courses specifically for people with special learning needs.

Mr. Nicholls: Employment training will offer all participants an individual action plan, drawn up to meet their particular needs. In some cases, this may involve training designed specifically for those people with learning difficulties.

Voluntary Projects Programme

Mr. Flynn: To ask the Secretary of State for Employment what are his plans for the continuation of the voluntary projects programme schemes after August.

Mr. Nicholls: From 5 September, employment training will replace the majority of MSC programmes for unemployed adults including the voluntary projects programme. However, some projects may continue until March 1989.

Employment training combines the best features of current programmes including VPP and we expect that many current VPP providers will move forward into the new programme. Employment training will include special arrangements for an extended introduction to training for disadvantaged clients, similar to that developed through the VPP in recent years.

Servants

Mr. Corbyn: To ask the Secretary of State for Employment what actions have been taken by his Department to inquire into the circumstances of domestic servants and au pairs working in Britain; and if he will make a statement.

Mr. Nicholls: Terms and conditions of employment are, in general, matters for agreement between the parties concerned.

TRANSPORT

Safety at Sea

Mr. Win Griffiths: To ask the Secretary of State for Transport what recent representations he has received about standards of passenger safety at sea.

Mr. David Mitchell: My right hon. Friend has recently received frequent representations about ferry safety from organisations and individuals.

Public Transport (Fares)

Mr. John Evans: To ask the Secretary of State for Transport what is his latest information about public transport fares levels in shire county areas.

Mr. David Mitchell: The average fare per journey for adult single local bus tickets in the financial year 1986-87 was 33p in metropolitan areas and 47p in non-metropolitan areas. However, the average journey length was longer in non-metropolitan areas.

Owing to the wide variations in types of train ticket and in journey lengths, comparable data on train fares cannot realistically be provided. However, information on BR receipts and traffic by operating sector are contained in section 3 of "Transport Statistics of Great Britain 1976-1986," a copy of which is in the Library.

SOCIAL SERVICES

Tax and Benefits System

Ms. Short: To ask the Secretary of State for Social Services if he will publish tables, similar to those in his Department's tax/benefit model table, showing net weekly spending power for a single childless person aged 18 to 24

years, earning *(a)* £40, *(b)* £50, *(c)* £60, *(d)* £70, *(e)* £80, *(f)* £90, and *(g)* £100 under the existing tax and benefits system, following the Budget and the social security changes, in each case assuming the person is paying average local authority rent and rates.

Mr. Scott: The information requested is provided in the table.

New tax and benefit system from April 1988

Gross earnings £	*Tax* £	*NI* £	*Family credit* £	*Child benefit* £	*Rent* £	*Rent rebate* £	*Rates* £	*Rate rebate* £	*Fares to work* £	*Net weekly spending power* £
40·00	0·00	0·00	0·00	0·00	15·94	10·12	8·45	3·55	5·85	23·43
50·00	0·00	2·50	0·00	0·00	15·94	5·25	8·45	2·05	5·85	24·56
60·00	2·48	3·00	0·00	0·00	15·94	0·68	8·45	0·64	5·85	25·60
70·00	4·98	4·90	0·00	0·00	15·94	0·00	8·45	0·00	5·85	29·88
80·00	7·48	5·60	0·00	0·00	15·94	0·00	8·45	0·00	5·85	36·68
90·00	9·98	6·30	0·00	0·00	15·94	0·00	8·45	0·00	5·85	43·48
100·00	12·48	7·00	0·00	0·00	15·94	0·00	8·45	0·00	5·85	50·28

I regret that my reply to a similar question from the hon. Member on 11 March 1988 at columns *396-8* contained an error. The figures given in the second table related to single people over age 25 and not to the 18-24 years age group specified. Following is the corrected table:

Pre-budget tax and new benefit system from April 1988
Single person aged 18-24

Gross earnings £	*Tax* £	*NI* £	*Family credit* £	*Child benefit* £	*Rent* £	*Rent rebate* £	*Rates* £	*Rate rebate* £	*Fares to work* £	*Net weekly spending power* £
40·00	0·00	0·00	0·00	0·00	15·94	10·12	8·45	3·55	5·85	23·43
50·00	0·49	2·50	0·00	0·00	15·94	5·57	8·45	2·14	5·85	24·48
60·00	3·19	3·00	0·00	0·00	15·94	1·15	8·45	0·78	5·85	25·50
70·00	5·89	4·90	0·00	0·00	15·94	0·00	8·45	0·00	5·85	28·97
80·00	8·59	5·60	0·00	0·00	15·94	0·00	8·45	0·00	5·85	35·57
90·00	11·29	6·30	0·00	0·00	15·94	0·00	8·45	0·00	5·85	42·17
100·00	13·99	7·00	0·00	0·00	15·94	0·00	8·45	0·00	5·85	48·77

Continence (Advice)

Mr. Andrew Bowden: To ask the Secretary of State for Social Services (1) how many continence advisers are currently employed by each local health authority in England and Wales; and in 1985;

(2) what plans he has to expand the continence advisory service in England and Wales;

(3) what steps he is taking to monitor the effectiveness of continence advisory services in health authorities in England and Wales.

Mr. Newton: I regret that statistics on the number of continence advisers employed by local health authorities are not collected centrally.

With regard to the expansion of continence advisory services, I refer my hon. Friend to my reply to my hon. Friend the Member for Exeter (Mr. Hannam) on 26 January 1988 at column *192*. The effectiveness of continence advisory services is not monitored directly. That is a responsibility of the management of the local health authority concerned.

Interpreters

Ms. Gordon: To ask the Secretary of State for Social Services how many interpreters there are in the offices of his Department in Tower Hamlets.

Mr. Portillo: There are no professional interpreters in the Department's five offices in Tower Hamlets. However, there are 70 members of staff in these offices able and willing to act as interpreters covering 25 languages.

Reciprocal Social Security Agreements

Sir John Farr: To ask the Secretary of State for Social Services (1) what new social security agreements have been negotiated and are awaiting implementation with new countries about the introduction of a reciprocal social security agreement;

(2) which countries he is at present in negotiation with about the introduction of a reciprocal social security agreement;

(3) if he will list those countries with whom the United Kingdom has entered into a social security agreement enabling British pensioners living there to receive United Kingdom pension increases in full;

(4) if he will list those countries with whom the United Kingdom has not yet entered into a social security agreement enabling British pensioners living there to receive United Kingdom pension increases in full;

(5) what are the arrangements made for the regular uprating of pensions of British people living in the United States of America;

(6) what are the arrangements made for the regular uprating of pensions of British people living in Malta;

(7) what are the arrangements made for the regular uprating of pensions of British people living in Bermuda;

(8) what are the arrangements made for the regular uprating of pensions of British people living in the Bahamas.

Mr. Scott: The United Kingdom has entered into social security reciprocal agreements which include provision for British pensioners to receive pension increases at upratings with the following countries. Except where the footnote shows otherwise the effect is that pensions are paid at the rate that would have applied had the pensioners remained in the United Kingdom.

Austria
Belgium
Bermuda (1 November 1969)[3]
Cyprus
Denmark[1]
Finland
France
Federal Republic of Germany
Gibraltar
Greece[1]
Iceland
Republic of Ireland
Isle of Man
Israel
Italy
Jamaica (1 October 1972)[3]
Jersey and Guernsey
Luxembourg
Malta
Mauritius (1 November 1981)[3]
Netherlands
Portugal
Sark[2]
Spain
Sweden
Switzerland
Turkey
United States of America (25 September 1969)[3]
Yugoslavia

[1] United Kingdom pensions in Denmark and Greece are paid at unfrozen rates by virtue of EC regulations (1408/71 and 574/72) and not by virtue of reciprocal agreements with the United Kingdom.

[2] United Kingdom pensions in Sark are paid at unfrozen rates by virtue of a separate provision of the Social Security Benefit (Persons Abroad) Regulations 1975.

[3] Increases have been paid only from the dates shown so that increases effective before those dates are not payable.

There are United Kingdom pensioners in some 140 other countries, including the Bahamas, with whom there is no reciprocal agreement enabling pension increases to be paid. There are no new social security agreements already negotiated and awaiting implementation. Negotiations concerning new agreements are in progress with Barbados and the Philippines, and concerning revision of an existing agreement (which does not provide for pension increases to be paid) with Norway.

Blind and Partially Sighted Persons

Ms. Wise: To ask the Secretary of State for Social Services what advantages a person obtains by being included on *(a)* the blind register and *(b)* the partially sighted register.

Mr. Scott: A claimant to severe disablement allowance who is registered as blind or partially sighted is automatically accepted as satisfying the 80 per cent. disablement condition. Blindness is a qualification for disablement premium under income support and a person who is blind with additional disabilities may qualify for attendance allowance. People who are registered as blind may also apply for a special income tax allowance, a television licence at reduced cost, free postage on items sent as articles for the blind and certain travel concessions. On the other hand, those who are blind or partially sighted do not need to be registered as such with local authorities before they can be helped by social services departments.

Grants and Loans

Mr. Madden: To ask the Secretary of State for Social Services (1) if he will detail the number of applicants to his Department's local offices in Bradford who since 11 April have been refused *(a)* grants and *(b)* loans; and what is the number of those who asked for a grant but were given a loan;

(2) if he will detail the state of the grants and loans budgets for each of his Department's local offices in Bradford for the month since 11 April; and if he will undertake to record and make available this information on a monthly basis.

Mr. Portillo: I refer the hon. Member to the hon. Member for Derby, South (Mrs. Beckett) on 6 May 1988 at column *656*, where I outlined our plans for providing local office social fund data. Information on the number of those who ask for a grant but are offered a loan is not available.

Mr. Madden: To ask the Secretary of State for Social Services if he will detail the repayment arrangements made by the three local offices of his Department in Bradford to applicants who have been given loans since 11 April.

Mr. Portillo: I regret that this information is not available.

Decision-Making

Mr. Madden: To ask the Secretary of State for Social Services what specific information is available to him via social fund microcomputers; and how he intends to monitor the quality of decision-making undertaking by local office staff.

Mr. Portillo: I will place a note in the Library giving details of the specific information obtained from the microcomputers. The quality of decision-making will be monitored by information obtained from the microcomputers, by the activities of local management, regional office monitoring teams and by independent research.

Transitional Protection Additions

Mr. Madden: To ask the Secretary of State for Social Services if he will detail the number of people receiving transitional protection additions at each local office of his Department in Bradford; if he will provide this information on the basis of each claimant category; and whether the addition is more or less than £10 a week.

Mr. Portillo: I regret that this information is not available.

Case Reviews

Mr. Madden: To ask the Secretary of State for Social Services if he will indicate how many applicants to the social funds of the local office of his Department in Bradford since 11 April have indicated their intention to take their case to review; and if he will undertake to

record, on a monthly basis, the number of applicants taking their cases to the first and second stages of the review process and the outcome of such reviews.

Mr. Portillo: I regret that this information is not available. Information about applications for review and their outcome will be recorded on local office microcomputers as it becomes available.

Devon Ambulance Services

Mr. Corbyn: To ask the Secretary of State for Social Services what have been the total numbers of ambulances for Devon ambulance services for the past five years.

Mrs. Currie: The total number of ambulances in service for the Devon ambulance service for each of the last five years is as follows:

Financial year	*Number of ambulances*
1983-84	117
1984-85	119
1985-86	121
1986-87	124
1987-88	120

Ambulances

Mr. Corbyn: To ask the Secretary of State for Social Services what guidelines his Department gives on ambulance replacement regarding *(a)* design and *(b)* origin of manufacture.

Mrs. Currie: DHSS guidelines to NHS authorities on *(a)* cover chassis equipment, basic body construction and dimensions, standard equipment facilities and fitments, allowing for modification in the light of local conditions and needs. Ambulance design criteria and replacement policy are currently under review.

On *(b)* guidelines do not specify requirements as to origin of manufacture. Health authorities are expected to seek best long-term value for money, taking all relevant factors of cost, quality and service into account.

Mr. Corbyn: To ask the Secretary of State for Social Services what European Economic Community regulations apply to the purchase or replacement of ambulances.

Mrs. Currie: Directive 77/62/EEC, as amended by directive 80/767/EEC, relates to the co-ordination of procedures for the award of public supply contracts.

Mr. Corbyn: To ask the Secretary of State for Social Services after what mileage an ambulance is replaced.

Mrs. Currie: NHS ambulances are usually replaced after 140,000 miles or seven years. Individual replacement decisions are taken in the light of local usage and circumstances.

Mr. Corbyn: To ask the Secretary of State for Social Services from where ambulances are purchased.

Mrs. Currie: Ambulances currently in use by the NHS have been purchased by competitive tendering from suppliers in the United Kingdom and elsewhere in the European Economic Community. Other sources of supply can be considered on their merits.

Mr. Corbyn: To ask the Secretary of State for Social Services how many ambulances have been off the road in Devon in the last year and every month in the current year due to lost wheels or half shaft problems.

Mrs. Currie: During 1987, 58 ambulances were taken off the road in Devon due to either lost wheel or half shaft defects. All the vehicles were returned to service by 11 January 1988. The 58 vehicles were withdrawn from service on 30 April 1988 and replacement of these vehicles will be completed by the end of this month.

Mr. Corbyn: To ask the Secretary of State for Social Services if he will list the number of ambulances in service for each district health authority for each year since 1983.

Mrs. Currie: The available information, which is given in the table, is not precisely in the form requested. Information is available only centrally by ambulance authority rather than district health authority.

Ambulance Services
Total Vehicles used to Transport Patients

	1983-84	*1984-85*	*1985-86*	*1986-87*
England	6,605	6,491	6,440	6,459
Northern	546	470	458	477
Cleveland	83	82	84	82
Cumbria	94	92	92	94
Durham	111	111	95	99
Northumbria M.A.S.	258	185	187	202
Yorkshire	597	636	638	647
Humberside	167	165	167	167
North Yorkshire	113	113	115	116
West Yorkshire M.A.S.	317	358	356	364
Trent	644	648	678	688
Derbyshire	135	132	142	132
Leicestershire	133	137	142	142
Lincolnshire	97	99	99	95
Nottinghamshire	138	137	130	131
South Yorkshire M.A.S.	141	143	165	188
East Anglian	218	219	225	231
Cambridgeshire	64	64	63	54
Norfolk	92	90	94	96
Suffolk	62	65	68	81
North West Thames	196	193	200	202
Bedfordshire	70	70	70	71
Hertfordshire	126	123	130	131
North East Thames	149	148	137	133
Essex	149	148	137	133
South East Thames	317	300	300	300
East Sussex	91	94	94	94
Kent	226	206	206	206
South West Thames	1,179	1,184	1,170	1,127
Surrey	127	121	121	104
West Sussex	85	88	83	85
London A. S.	967	975	966	938
Wessex	308	297	293	280
Dorset	59	57	59	62
Hampshire	161	154	144	130
Wiltshire	75	73	74	73
Isle of Wight	13	13	16	15
Oxford	285	284	283	279
Berkshire	75	75	74	72
Buckinghamshire	78	76	76	76

	1983-84	1984-85	1985-86	1986-87
Northamptonshire	75	76	76	76
Oxfordshire	57	57	57	55
South Western	484	480	447	457
Avon	142	143	111	114
Cornwall/Isles of Scilly	76	72	68	71
Devon	117	119	121	124
Gloucestershire	98	83	82	83
Somerset	51	63	65	65
West Midlands	728	713	690	713
Hereford and Worcester	96	94	97	94
Shropshire	73	71	70	67
Staffordshire	148	153	154	156
Warwickshire	59	54	56	59
West Midlands Metropolitan	352	341	313	337
Mersey	338	351	387	393
Cheshire	105	114	118	121
Mersey Metropolitan Council	233	237	269	272
North Western	616	568	534	532
Lancashire	218	185	176	171
Greater Manchester M.A.S.	398	383	358	361

Source: York health authority.

Mr. Corbyn: To ask the Secretary of State for Social Services how many ambulances have been replaced nationally each year since 1983.

Mrs. Currie: Approximately 850 NHS ambulance vehicles have been replaced annually in the United Kingdom since 1983.

Ambulance Service Pay Claim

Mr. Corbyn: To ask the Secretary of State for Social Services when he will make an offer regarding the 1988 ambulance service pay claim.

Mr. Tony Newton: The pay of ambulance officers and control assistants is a matter for negotiation in the ambulance officers' joint negotiating committee, and that of ambulance men and women in the ambulance Whitley Council. I understand that offers which were rejected were made on 15 April and 20 April respectively, and negotiations stand adjourned.

Ancillary Staffs Council Pay Award

Mr. Corbyn: To ask the Secretary of State for Social Services whether the ancillary staffs council pay award, when agreed, will be entirely funded by his Department.

Mr. Newton: I refer the hon. Member to my reply to the hon. Member for Glasgow, Shettleston (Mr. Marshall) on Tuesday 10 May 1988 at column *133*.

Overseas Pensioners

Mr. Maginnis: To ask the Secretary of State for Social Services whether pensioners from Australia, Canada and New Zealand who live within the United Kingdom have their pensions frozen by their respective Governments in the same way as British pensions are frozen.

Mr. Scott: New Zealand superannuation is not payable abroad except during temporary absences. Australian and Canadian pensions payable to pensioners living in the United Kingdom are not frozen by their respective Governments but entitlement for those living abroad is restricted in other ways. Australian old age pensions are awarded only to people who claim while permanently resident in Australia. Canadian old-age security pensions are payable outside Canada, other than during temporary absences, only to people who have resided in Canada for at least 20 years after the age of 18 (compared with a residence requirement of 10 years for those living in Canada).

Hounslow and Spelthorne District Health Authority

Mr. Corbyn: To ask the Secretary of State for Social Services if he will call for a report from Hounslow and Spelthorne district health authority over the sponsorship of Kempton races to pay for staff salaries.

Mrs. Currie: I understand that the sponsorship of Kempton park races was connected with a charitable appeal towards upgrading the buildings and buying more modern equipment at Ashford and West Middlesex hospitals. There is a long-standing tradition of such support for the Health Service, for which we are most grateful. I hope everyone concerned enjoyed their day.

Correspondence

Mr. John M. Taylor: To ask the Secretary of State for Social Services if an answer will now be provided to the letter to the Parliamentary Under-Secretary of State for Social Security, the hon. Member for Enfield, Southgate, (Mr. Portillo), reference PO(5)1508/8, dated 22 February and written by Mr. J. M. Hamilton of 58 Woodlands lane, Shirley, Solihull.

Mr. Portillo: A reply was sent to Mr. Hamilton on 10 May.

National Childbirth Trust

Mr. Corbett: To ask the Secretary of State for Social Services on what date he received an application from the National Childbirth Trust for Department of Health and Social Security section 64 grant for an average of £62,000 for each of the next three years; and when he expects to make a decision upon the application.

Mrs. Currie: I refer the hon. Member to my reply to my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg) on 27 April at columns *177-78*.

Quest for a Test for Cancer

Mr. Corbett: To ask the Secretary of State for Social Services on what date an expert panel considered an application for funding from Quest for a Test for Cancer for a wide clinical trial due to start in January 1988; on what date the panel made a decision upon the application; when the National Health Services procurement directorate knew of the panel's decision; and when it was communicated to the applicant.

Mrs. Currie: The expert panel chaired by the Department's chief scientist, Professor O'Grady, met on 26 February 1988 to review some 13 applications for research funding on a similar theme and made recommendations the same day. This included a

recommendation that the project to which the hon. Member refers should not, as submitted, be funded by the Department. However, the Department contacted the applicant on 15 April to discuss a new proposal for further collaborative work with a view to commercial exploitation of the screening method involved.

Child Benefit

Mrs. Fyfe: To ask the Secretary of State for Social Services what has been the change in the real value of child benefit since its introduction.

Mr. Scott: Child benefit was phased in between April 1977 and April 1979. The value of child benefit at April 1987 was 96·7 per cent. of its value at April 1979, based on the movement in the general index of retail prices during that period.

Abortion Act 1967

Mr. Corbett: To ask the Secretary of State for Social Services whether he will establish an independent and representative body to review the workings of the Abortion Act 1967 and to make recommendations.

Mr. Newton: We have no plans to do so. The main issues raised by abortion have been considered on a number of occasions, most recently by the House of Lords Select Committee on the Infant Life (Preservation) Bill, which reported earlier this year.

NHS Hospitals (Cost)

Mr. Dobson: To ask the Secretary of State for Social Services, further to the answer to the hon. Member for Holborn and St. Pancras on 3 May, *Official Report*, column *350*, what is Her Majesty's Government's policy towards seeking private contributions towards the capital costs of National Health Service hospitals.

Mrs. Currie: As my right hon. Friend the Prime Minister said in her reply to the hon. Member, we welcome the support for the health services provided in a number of ways by such private contributions.

Disabled Persons

Mr. Tom Clarke: To ask the Secretary of State for Social Services if, pursuant to the answer of 6 May, *Official Report*, columns *628-44*, to the hon. Member for Epping Forest (Sir J. Biggs-Davison) he will list those objectives in the field of policy for disabled persons and their carers which Her Majesty's Government have not fulfilled.

Mr. Scott: Government objectives are to respond to the needs of disabled people and to encourage their increased independence and integration into society. The Government aim to improve the targeting of assistance to them in order to enable this to happen. Since 1979, we have increased spending on benefits for the long-term sick and disabled by over 80 per cent. in real terms, or by about £3 billion. This year we are spending an extra £60 million on 270,000 sick and disabled claimants through the disability premium, and a further £8 million for claimants eligible for the severe disability premium. We have also set aside £5 million for the Independent Living Fund to provide help to severely disabled people which will enable them to live independently in the community. We recognise the importance of the Disabled Persons (Services, Consultation and Representation) Act 1986. The Act is being progressively implemented in a properly planned way, in co-operation with the service providers.

Pathology Laboratories

Mr. Terry Davis: To ask the Secretary of State for Social Services whether any discussions have taken place between representatives of the Government and representatives of the Hospital Corporation of America, the American Medical International, National Medical Enterprises and the Humana Corporation about the privatisation of pathology laboratories in the United Kingdom; and if he will make a statement.

Mrs. Currie: No.

District Health Authority Plans

Mr. Fearn: To ask the Secretary of State for Social Services what procedures govern the re-submission for consultation of district health authority plans which have been approved but not implemented.

Mrs. Currie: There are no specific formal procedures to govern the situation indicated by the hon. Member. Statute requires health authorities to consult community health councils over individual proposals for substantial changes in services.

Coventry Churches Housing Association

Mr. John Hughes: To ask the Secretary of State for Social Services what undertakings Coventry Churches housing association has given under its agreement with Coventry district health authority as a condition for the use of the Whitley hospital site to provide the equivalent full hospital care for its patients.

Mrs. Currie: I understand that only those patients who do not require full consultant oversight in NHS hospital facilities will be considered for transfer, under arrangements currently being drawn up, to the care of the Coventry Churches housing association.

Mr. John Hughes: To ask the Secretary of State for Social Services if he will make available to right hon. and hon. Members the documents which define the detailed patient hospital care requirement of the Coventry Churches housing association as a condition of its use of the Coventry Whitley hospital site.

Mrs. Currie: I understand that the patient care policy document, which will form part of a legally binding agreement between Coventry health authority and the Coventry Churches housing association, is currently being put in final form. The document will be available shortly and I will ensure that the hon. Member receives a copy and that a further copy is placed in the Library.

Coventry (GPs)

Mr. John Hughes: To ask the Secretary of State for Social Services (1) how many Coventry citizens were denied permanent practitioner placement in the last year for which figures are available;

(2) how many Coventry citizens had been denied a permanent practitioner placement after complaining of a doctor's misconduct in the latest year for which figures are available.

Mrs. Currie: I regret the information requested is not held centrally. I refer the hon. Member to Coventry family practitioner committee which may be able to provide it. It is, however, the case that where a patient has difficulty in finding a doctor who will accept him on his list, the FPC is empowered to assign that patient to a doctor's list.

NHS Properties

Mr. Robin Cook: To ask the Secretary of State for Social Services when the target to have 70 per cent. of all National Health Service properties in an adequate position was set.

Mrs. Currie *[holding answer 11 May 1988]:* The target was set in July 1985.

Mr. Robin Cook: To ask the Secretary of State for Social Services if, pursuant to his answer of 5 May, *Official Report*, column *549*, he will identify the 2 per cent. of National Health Service property not currently held to be in an adequate condition but which it is intended to improve; what plans have been made to ensure that it is in an adequate condition with the estimated dates of completion; and if he will give the estimated cost of each such scheme.

Mrs. Currie *[holding answer 11 May 1988]:* The National Health Service estate comprises some 12,000 major sites and each site may have several buildings. Centrally we do not collect information about the condition of each building. It is for individual health authorities to identify and remedy particular deficiencies as part of their ongoing estate management functions. In 1985-86 64 per cent. and in 1986-87 68 per cent. of the property was in adequate condition. If that trend continues we can expect the NHS to have achieved the 70 per cent. target during 1987-88. The figures for 1987-88 will not be available before February 1989.

Written Answers to Questions

Friday 13 May 1988

OVERSEAS DEVELOPMENT

Kampuchea

Mr. Tom Clarke: To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance he has made available in the past year to alleviate the present food shortage and public health problems in Kampuchea; and if he will make a statement.

Mrs. Chalker: We have provided no assistance directly to Cambodia but are ready to consider contributing humanitarian assistance in the context of an internationally organised relief effort.

Southern African Development Co-ordination Conference

Miss Lestor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list British contributions to the Southern African Development Co-ordination Conference for each year since its formation.

Mrs. Chalker: I refer the hon. Lady to the answer my hon. Friend the Minister for Overseas Development gave her on 3 March, at column *646*.

Miss Lestor: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will list the level of British bilateral aid to each of the member states of the Southern African Development Co-ordination Conference for each year from 1979 to 1987;

(2) if he will list the level of British bilateral aid to each of the member states of the Southern African Development Co-ordination Conference for each year from 1979 to 1987 inclusive, at 1987 prices.

Mrs. Chalker: Gross bilateral aid to SADCC countries was as follows:

£000

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*	*1987*
Angola	43	12	93	55	71	146	164	317	261
Botswana	7,970	11,546	10,199	7,570	13,289	15,975	8,775	12,800	11,874
Lesotho	6,622	4,607	6,364	4,251	4,695	5,233	2,382	3,784	3,918
Malawi	24,941	16,543	15,999	16,984	14,620	12,959	14,008	15,019	24,882
Mozambique	6,369	4,629	5,379	1,924	1,805	4,182	8,366	7,424	22,798
Swaziland	8,351	6,472	4,144	6,366	5,665	5,626	3,376	6,402	3,458
Tanzania	24,076	32,119	30,040	27,328	30,384	33,033	17,967	12,715	24,137
Zambia	29,159	20,696	24,119	14,237	15,485	32,901	25,552	35,351	26,173
Zimbabwe	5,070	36,405	50,048	21,464	19,453	15,062	23,636	12,503	12,240
Total	112,601	133,029	146,385	100,179	105,467	125,117	104,226	106,315	129,740
At 1987 Prices:									
Angola	78	18	126	69	85	167	178	331	261
Botswana	14,403	17,423	13,803	9,519	15,877	18,304	9,499	13,367	11,874
Lesotho	11,967	6,952	8,613	5,346	5,609	5,996	2,579	3,952	3,918
Malawi	45,073	24,963	21,652	21,357	17,468	14,848	15,164	15,684	24,882
Mozambique	11,510	6,985	7,280	2,419	2,157	4,792	9,056	7,753	22,798
Swaziland	15,092	9,766	5,608	8,005	6,768	6,446	3,655	6,686	3,458
Tanzania	43,510	48,468	40,655	34,365	36,302	37,849	19,449	13,278	24,137
Zambia	52,696	31,230	32,642	17,903	18,501	37,698	27,660	36,917	26,173
Zimbabwe	9,162	54,935	67,733	26,991	23,242	17,258	25,586	13,057	12,240
Total	203,491	200,741	198,112	125,975	126,009	143,357	112,824	111,024	129,740

Source: "British Aid Statistics".

Mozambique

Mr. Tom Clarke: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list in ranked order such information as he has about the overseas aid per capita contributions made by member countries of the Organisation for Economic Co-operation and Development to Mozambique in the past year.

Mrs. Chalker: The information requested is as follows:

Net official development assistance from development assistance committee donor countries to Mozambique in 1986

Donor	*Net official development assistance $ million*	*Per capita $*
Sweden	68·85	8·227
Norway	31·80	7·631
Denmark	13·74	2·686
Netherlands	36·06	2·476
Finland	5·34	1·086
Italy	55·69	0·973
France	28·56	0·516
Switzerland	3·20	0·488
Canada	5·29	0·206
Australia	3·27	0·205
Germany	11·41	0·187

Donor	Net official development assistance $ million	Per capita $
United Kingdom	9·06	0·160
Austria	1·09	0·144
Japan	15·50	0·128
United States of America	30·00	0·124
Belgium	0·28	0·028
Ireland	0·01	0·003

Source: Development assistance committee chairman's report.

Figures are the most recent available that cover members of the development assistance committee of the OECD. No details are available for other OECD countries.

Developing Countries (Statistics)

Mr. Tom Clarke: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish a table in the *Official Report* showing such information as he has for each developing country on *(a)* the infant mortality rate, *(b)* the level of external debt, *(c)* the net flow of capital in 1986-87 and *(d)* the percentage change in terms of trade with the United Kingdom on the previous year.

Mrs. Chalker: Information on question *(d)* could be provided only at disproportionate cost. The answers to questions *(a)*, *(b)* and *(c)* are as follows:

Country	Infant Mortality (per 1,000 births) 1985	Total Debt and Liabilities at end December 1986 (US$m)	Net flow of capital 1986 (US$m)
Afghanistan (1979)	182	1,288	2·6
Algeria	81	24,574	−152·3
Angola	149	1,544	275·9
Anguilla	34	—	—
Antigua and Barbuda (1983)	8	—	—
Argentina	34	55,163	4,896·1
Bahamas (1984)	23	1,398	917·4
Bahrain	28	1,316	—
Bangladesh	123	8,258	1,429·6
Barbados (1984)	11	581	41·6
Belize	19	175	19·1
Benin	115	1,073	178·7
Bermuda (1984)	7	638	1,048·9
Bhutan	133	17	—
Bolivia	117	4,814	304·4
Botswana	71	578	168·7
Brazil	67	115,418	634·6
British Virgin Isles (1984)	12	—	—
Brunei	26	234	—
Burkina Faso (Upper Volta)	144	689	283·7
Burma	66	4,881	413·8
Burundi	118	563	185·8
Cambodia	n.a.	—	—
Cameroon	89	3,600	290·7
Cape Verde Iles (1980)	71	—	—
Cayman Islands	11	166	—
Central african Republic	137	435	142·8
Chad	138	179	162·7
Chile	22	23,606	52·5
China	35	26,635	3,487·8
Colombia	48	13,854	1,125·1
Comoros	88	161	47·1
Congo	77	3,589	335·9
Cook Islands	8	3	—
Costa Rica	19	4,487	320·2
Cuba	17	9,310	−39·2
Cyprus	17	2,393	174·0
Djibouti	..	250	79·0
Dominica (1978)	20	91	—
Dominican Republic	70	3,417	377·5
Ecuador	67	8,792	1,009·6
Egypt	93	38,396	2,620·5
El Salvador	65	1,964	327·5
Equatorial Guinea	137	164	—
Ethiopia	168	2,246	690·2
Falkland Islands	..	—	—
Fiji (1984)	16	487	47·2
French Guiana (1983)	19	75	—
French Polynesia (1983)	23	—	—
Gabon	229	2,191	309·7
Gambia	174	314	113·4
Ghana	94	3,312	429·8
Gibraltar (1984)	10	196	—
Greece	16	27,292	−150·9
Guadeloupe (1983)	14	105	—
Guatemala	65	3,911	132·7
Guinea	153	1,530	180·6
Guinea-Bissau	143	318	71·8
Guyana (1978)	46	970	47
Haiti	123	765	173·5
Honduras	76	3,263	299·6
Hong Kong	9	8,260	−1,602·4
India	89	43,520	3,762·2
Indonesia	96	42,240	1,655·3
Iran	111	4,133	−328·2
Iraq	73	12,905	−62
Israel	14	33,446	2,295·4
Ivory Coast	n.a.	—	—
Jamaica	20	4,454	105·4
Jordan	49	5,205	593·8
Kenya	91	4,836	685·2
Kiribati (1971)	49	11	13·7
Korea South	27	54,375	419·9
Kuwait	22	8,887	—
Laos	122	565	48·4
Lebanon	48	932	141·7
Lesotho	106	194	92·1
Liberia	127	1,553	−61·1
Libya	90	2,287	—
Macao (1984)	12	914	—
Madagascar	109	2,958	320·7
Malawi	156	1,122	229·1
Malaysia	28	22,914	49·0
Maldive Republic (1984)	68	85	—
Mali	174	1,790	364·6
Malta	16	350	—
Martinique (1984)	14	114	—
Mauritania	132	1,807	175·4
Mauritius	25	695	67·7
Mayotte	n.a.	—	—
Mexico	50	109,625	1,287·2
Montserrat (1982)	8	5	—
Morocco	90	18,313	1,011·9

Country	Infant Mortality (per 1,000 births) 1985	Total Debt and Liabilities at end December 1986 (US$m)	Net flow of capital 1986 (US$m)
Mozambique	123	1,390	358·5
Namibia	116	9	—
Nauru (1975)	19	78	—
Nepal	133	789	330·8
Netherlands Antilles	..	1,084	—
New Caledonia (1983)	11	—	—
Nicaragua	69	5,715	171·8
Niger	140	1,458	294·5
Nigeria	109	29,100	913·2
Niue Island	..	—	—
Oman	109	2,958	—
Pakistan	115	15,177	973·8
Panama	25	5,906	1,844·2
Papua New Guinea	68	2,496	220·0
Paraguay	43	2,127	112·3
Peru	94	17,700	70·5
Philippines	48	27,230	1,118·4
Pitcairn Islands	..	—	—
Portugal	19	17,877	−516·5
Quatar	38	630	—
Reunion	13	—	—
Rwanda	127	457	217·5
Sao Tome and Principe	62	83	—
Saudi Arabia	61	14,299	—
Senegal	137	3,478	675·9
Seychelles (1984)	14	144	35·0
Sierra Leone	175	641	91·9
Singapore	9	4,426	−121·8
Solomon Islands (1969)	52	—	—
Somalia	152	1,777	613·5
Sri Lanka	36	4,568	547·6
St. Helena	12	—	—
St. Kitts and Nevis (1984)	28	44	—
St. Lucia (1984)	18	41	—
St. Pierre and Miquelon (1981)	9	6	—
St. Vincent (1983)	37	34	—
Sudan (1983)	112	8,616	884·3
Suriname (1978)	30	58	75·8
Swaziland	129	270	43·9
Syria	54	4,527	925·9
Taiwan	n/a	12,693	−483·0
Tanzania	110	4,232	−649·4
Thailand	43	18,743	551·7
Togo	97	1,212	135·1
Tokelau Islands	0·6	—	—
Tonga	5	29	—
Trinidad and Tobago	22	1,850	5·9
Tunisia	78	6,696	326
Turkey	84	27,641	1,869·1
Turks and Caicos Islands (1982)	25	29	—
Tuvalu	n/a	—	—
Uganda	108	1,191	199·2
United Arab Emirates	35	9,210	—
Uruguay	29	3,935	61
US Pacific Islands	n/a	—	—
Vanuatu	..	181	−28·6
Venezuela	37	42,546	—
Vietnam	76	7,907	147·2
Wallis and Futuna (1970)	41	4	—
Western Samoa	33	—	23
Yemen North (YAR)	154	2,023	233·7
Yemen South (PDRY)	145	2,633	42·2
Yugoslavia	27	23,448	40·6
Zaire	102	6,876	634·7
Zambia	84	5,158	670·6
Zimbabwe	77	2,375	217·0

Sources:

Infant Mortality Rates:

Social Indicators of Development 1987 World Bank & International Finance Corporation.

United Nations Demographic Yearbook 1985.

Total Debt and Liabilities:

External Debt Statistics OECD end December 1986.

Net Flow of capital:

Geographical Distribution of Financial Flows to Developing Countries OECD 1986.

Total official and private flows. Official includes official development assistance and other official flows, both bilateral and multilateral; bilateral flows are those from DAC member countries and OPEC countries; multilateral includes Aid agencies.

FOREIGN AND COMMONWEALTH AFFAIRS

Rainbow Warrior

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to his French counterpart about the premature release of Alain Mofart and Dominique Prieur from Hao in connection with their part in the sinking of the Rainbow Warrior.

Mrs. Chalker: None. This is a matter between France and New Zealand.

Swiss Company Law

Mr. David Shaw: To ask the Secretary of State for Foreign and Commonwealth Affairs whether he will seek the assistance of the European Commission and Council of Ministers in obtaining satisfactory assurances from the Swiss Government about reforms in their company law and practice.

Mr. Mellor: There have been no representations on this specific issue, but discussions between the Community and EFTA countries cover a wide range of trade issues, including the impact of the single market 1992 campaign.

HOME DEPARTMENT

Cambridgeshire Police

Mr. Moss: To ask the Secretary of State for the Home Department what is the chief constable's estimate for optimum operational manning levels for police, by division, in Cambridgeshire; how actual manning levels differ from these; what were the statistics for call-outs and completed operations for the Cambridgeshire constabulary underwater unit in each of the last five years; and when he expects to respond to the chief constable's request for increased police manning levels in Cambridgeshire.

Mr. Douglas Hogg: My right hon. Friend intends to announce shortly his decisions on applications for police manpower which we have received from Cambridgshire

police authority and from other authorities. The manning levels of the force at present, and as they would be on completion of their proposed programme of increases, is set out in the table, as is the number of operations in which the force underwater unit has been involved.

Force Establishment

	Present	*On completion of programme of increased manpower*
Headquarters	61	71
Northern Division	574	621
Southern Division	345	379
Operational Support Division	180	189

Operations by force underwater unit

	Numbers
1982	124
1983	98
1984	91
1985	102
1986	76
1987	103

Commission for Racial Equality

Mr. Janner: To ask the Secretary of State for the Home Department whether he will take steps to increase the resources and the powers, respectively, of the Commission for Racial Equality.

Mr. John Patten: The Commission for Racial Equality is reviewing, with officials, the resources which it needs to carry out its functions.

There is no immediate prospect of new general race relations legislation, though specific amendments to enhance the commission's powers are made from time to time. For example, an undertaking has been given to consider an amendment to the Housing Bill to give the commission a statutory power to make codes of practice in relation to housing. In addition, the Policy Studies Institute has been commissioned to carry out a study of the effectiveness of existing legislation including the commission's powers, in respect of employment.

Safer Cities Initiative

Mr. Andrew Mitchell: To ask the Secretary of State for the Home Department what progress has been made with the safer cities initiative announced earlier in the current year.

Mr. John Patten: I refer my hon. Friend to the reply given to a question from the hon. Member for Sheffield, Brightside (Mr. Blunkett) on 4 May, at column *448*.

Asylum

Mr. Irving: To ask the Secretary of State for the Home Department if he will give the sources of the figure quoted by the hon. Member for Mid-Sussex (Mr. Renton) in replying to the debate on new clause 2 of the Immigration Bill that West Germany has some 800,000 outstanding applications for asylum, *Official Report* column 882, 16 February, in the light of official figures released by the Federal Republic of Germany's Federal Agency for the Recognition of Foreign Refugees showing that, at the end of December 1987, there were 51,561 outstanding applications for asylum involving 81,725 individuals in the Federal Republic of Germany; and if he will make a statement.

Mr. Renton: The source of the figure, which should have been 700,000, was a report issued on 12 August 1987 by the London embassy of the Federal Republic of Germany. This account was overtaken by a survey published in February this year by the Federal Interior Ministry giving a similar figure as the total number of refugees and displaced persons living in West Germany, and saying that of these 165,000 were asylum seekers whose applications were still pending. The point made in the debate therefore still stands.

Wiltshire Constabulary

Mr. Cohen: To ask the Secretary of State for the Home Department if he will set up an inquiry under the Police Act 1964 into the alleged racist behaviour of certain members of Wiltshire constabulary in the arrest of Eric Maximen at West Wells road, Corsham, Wiltshire on 23 April; and if he will make a statement.

Mr. Douglas Hogg: No. Procedures exist under the Police and Criminal Evidence Act 1984 for the investigation of allegations that individual police officers may have committed a criminal or a disciplinary offence. The circumstances of Mr. Maximen's arrest are already being investigated by the Wiltshire constabulary in accordance with these procedures, following complaints lodged by three members of the public. When the investigation has been completed the papers will be referred to the Police Complaints Authority and, if appropriate, to the Director of Public Prosecutions.

Neighbourhood Watch

Mr. Andy Stewart: To ask the Secretary of State for the Home Department whether there has been a reduction in residential burglary in areas where the number of neighbourhood watch schemes has increased.

Mr. John Patten: Residential burglary offences recorded by police in England and Wales in 1987 were 4·5 per cent. down on those for 1986. It is interesting to note that this welcome decrease in the numbers of burglaries has taken place as the number of neighbourhood watch schemes has increased. Examples include:

	North West Schemes		*Residential Burglary Percentage Change*
	October 1986	*October 1987*	
West Midlands	500	3,130	Down 14·1
Cumbria	431	661	Down 13·1
Bedfordshire	523	825	Down 12·7
West Mercia	142	1,216	Down 11·4
Wiltshire	2	256	Down 11·0
Greater Manchester	800	5,000	Down 10·6
Durham	48	126	Down 10·1
Warwickshire	243	550	Down 9·8
Merseyside	1,597	3,574	Down 8·8
Dyfed-Powys	1	108	Down 8·8
Sussex	350	3,000	Down 7·7
Metropolitan Police	5,625	7,500	Down 4·9

Mr. Wheeler: To ask the Secretary of State for the Home Department how the results of the evaluation of

two neighourhood watch schemes in London, carried out by Dr. Trevor Bennett, have affected the development of neighbourhood watch, and what further research he has commissioned.

Mr. John Patten: Dr. Bennett's research, together with the results of studies from other areas, confirmed our view that the effectiveness of a neighbourhood watch scheme depends greatly on the quality of its organisation, and the degree of commitment which it is able to obtain from local people. A well-run scheme can contribute to a reduction in crime rates and the fear of crime, and can help greatly to improve relations between the police and the general public. But it is not a panacea.

In the 12 months since the results of Dr. Bennett's evaluation were made public we have been active in stimulating further research and ensuring that what we learn is fed back to those who can make most use of it.

We funded Dr. S. Hussain, of the University of Southampton, to carry out a questionnaire survey of neighbourhood watch co-ordinators covering nine provincial police force areas. A report on this work was published on 30 March 1988 as Home Office "Crime Prevention Unit Paper 12," copies of which are available in the Library. This report described the way in which neighbourhood watch schemes were established, the areas in which they were located, how they operated and the extent of police involvement. Although it did not consider the effect of neighbourhood watch on crime rates, it did provide some evidence of a positive effect on police—public relations.

In line with our view that schemes need to be tailored to local circumstances, we have funded a study in Rochdale on an estate of approximately 2,000 dwellings. This initiative involved the establishment of watch schemes centred on the victims of crime and the results show a 60 per cent. reduction in domestic burglary. A report is being prepared for publication in early summer. The initiative is continuing with the support of the Home Office and the local police and probation services.

The Home Office is also involved in an initiative on a high crime estate in Lambeth. This project, which is being developed in collaboration with the local victim support group, will encourage neighbourhood watch type activities, as appropriate, throughout the estate. Results will be evaluated in terms of crime reduction. A crime and crime prevention survey has been completed on the estate and a report of this survey will be available by autumn 1988. A report on the full impact of any crime prevention measures taken is unlikely to be available before early 1990.

The 1988 British crime survey, funded by the Home Office, includes a number of questions on neighbourhood watch. This survey will give information on how many people have heard of neighbourhood watch and how many people have schemes in their immediate area. It will also provide information on why some householders have not joined schemes in their area, what scheme members actually do, what advantages and disadvantages there are, how schemes operate and how many are still active.

Mr. Harry Greenway: To ask the Secretary of State for the Home Department how many neighbourhood watch schemes there are in Ealing, and if he will make a statement.

Mr. John Patten: I understand from the Commissioner of Police of the Metropolis that there are 100 neighbourhood watch schemes in Ealing involving some 47,000 dwellings, which represents 74 per cent. of households. Some 60 per cent. of the total crime in the Ealing division occurs in the areas not covered by neighbourhood watch.

Mr. Knowles: To ask the Secretary of State for the Home Department if he will make a statement about the increase in the numbers of neighbourhood watch schemes and recent research results; and what assessment he has made of the prospects for developing neighbourhood watch in the next two to three years.

Mr. John Patten: The growth in neighbourhood watch is heartening since each scheme reflects the willingness of the public to work with the police to tackle crime. It must be remembered. however, that neighbourhood watch is comparatively new to this country and there are still lessons to learn. Research and innovatory police schemes are to be welcomed therefore particularly where they help identify which factors make for the success or lack of success of individual schemes. The next step is for practitioners developing neighbourhood watch to keep abreast of good practice and ensure that the schemes for which they are responsible are finely tuned to meet local needs and suit local circumstances. We hope to publish a guidance note on best practice later this year.

Mr. Goodson-Wickes: To ask the Secretary of State for the Home Department whether the operation of neighbourhood watch in the Wimbledon area has been reviewed in the light of the evaluation by Dr. Trevor Bennett, made public in May 1987; and if he will make a statement.

Mr. John Patten: A review of neighbourhood watch schemes in the Wimbledon area was carried out by the Metropolitan police in November 1987. This revealed that 85 per cent. of the schemes were working well. As police crime figures in the Wimbledon district do not relate directly to the areas of individual neighbourhood watch schemes, the indicator used for the review was the level of active communication between the scheme co-ordinators and the police.

Mr. Goodson-Wickes: To ask the Secretary of State for the Home Department how many neighbourhood watch schemes there are in the Wimbledon area; and whether the number of residential burglaries has increased or decreased since they were introduced.

Mr. John Patten: There are now 131 neighbourhood watch schemes in the Wimbledon division, covering some 43,832 households. Figures for the division as a whole show that burglaries have dropped by 18·6 per cent. since the introduction of neighbourhood watch. This welcome reduction has taken place during a time when increased police-community interaction, encouraged by the existence of neighbourhood watch, has fostered a greater willingness on the part of the public to report crimes to the police.

Ealing (Crime)

Sir George Young: To ask the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis about crime in Ealing in 1986 and 1987; and if he will make a statement.

Mr. John Patten: I understand from the Commissioner of Police of the Metropolis that overall crime in the Ealing division in 1987 was 7 per cent. down on that for 1986. There was an increase in arrests of 13 per cent. and the total of crimes cleared up increased by 22 per cent. Residential burglaries dropped by 9 per cent. and there was a 27 per cent. increase in arrests for this offence.

EDUCATION AND SCIENCE

Japanese Language Courses

Mr. Cran: To ask the Secretary of State for Education and Science what plans his Department has to ensure the wider provision of Japanese language courses geared to the needs of United Kingdom exporting industries.

Mr. Jackson: The Government attach a great deal of importance to the need to ensure that provision for the learning of Japanese, as well as other languages, is available to meet the requirements of commerce and industry. As regards the universities, the University Grants Committee has accepted the recommendations of the Parker report and is making additional resources available. In addition, five centres within the network of language export training centres, funded through the Department's professional industrial and commercial updating programme and the MSC, are able to provide training to exporters for the Japanese market and there are plans to enhance the provision. The Department of Education and Science is in consultation with the Department of Trade and Industry on these and related matters.

Premature Births

Mrs. Ann Winterton: To ask the Secretary of State for Education and Science what information he has on on-going research projects into the effects of advancing medical science on the ability of premature infants to be born alive either *(a)* in the United Kingdom or *(b)* abroad; and if he will make a statement.

Mrs. Rumbold: I understand that the Medical Research Council, which receives its grant-in-aid through this Department, is funding a considerable amount of work in the field of prenatal and neonatal medicine. In 1986-87, the last financial year for which figures are available, the council spent £4·6 million on this research.

City Technical Colleges

Mr. Straw: To ask the Secretary of State for Education and Science if he will list all plans and propositions of which he is aware for the establishment of city technical colleges, with details in each case of *(a)* the foundation, trusts or individuals supporting the proposition; *(b)* the number of pupils for whom the school will cater; *(c)* the amount of (i) private funds, and (ii) maximum Exchequer contribution to *(x)* capital establishment, and set-up costs and *(y)* running costs; *(d)* the planned date of opening; *(e)* whether the proposition involves a change in character of an existing school; and *(f)* the address of the proposed school.

Mr. Kenneth Baker: The full details requested are available in respect of only the Kingshurst and Nottingham CTCs and are as follows:

the principal sponsors are Hanson plc and Lucas Industries at Kingshurst and Mr. Harry Djanogly at Nottingham. Each college will provide for about 1,000 pupils;

for the Kingshurst CTC the estimated capital cost of acquiring the site and adapting part of the existing buildings is £3·45 million, £1 million of which was contributed by Hanson plc. Additional capital costs, which have not yet been determined, will also be shared between the Department and the Kingshurst CTC Trust. The Kingshurst CTC Trust expects to raise at least £1 million for this purpose;

the cash limit for capital expenditure on the Nottingham CTC is £9·05 million; £1·4 million has already been raised by the private sector;

the normal running costs of CTCs will be met by Exchequer grant; it is for sponsors to decide whether to make additional sums available to CTCs;

Kingshurst will open in September 1988, Nottingham in September 1989. Both colleges are entirely new establishments and involve no "change of character" by existing schools;

their addresses are the Kingshurst CTC, PO Box 1017, Cooks Lane, Kingshurst, Birmingham B37 6NZ and the Nottingham CTC, Sherwood Rise, New Basford, Nottingham.

Dixons plc, the Philip and Pauline Harris Trust, the Mercers Company and Thamesmead Town have each announced plans to provide sponsorship of at least £1 million towards three more CTCs. I am not yet in a position to give details of the locations or the division of capital expenditure.

The CTC Trust has acquired a site for a CTC in Middlesbrough: there and elsewhere detailed discussions are taking place with a number of prospective sponsors who are not yet ready to declare their hand but who are committed in principle to provide financial support of at least £1 million.

I am also aware of other bodies which have expressed an interest but which have not made a direct approach to the Department. It would be inappropriate to name the bodies until such an approach is made.

Contract Researchers

Mr. Straw: To ask the Secretary of State for Education and Science when he intends to publish copies of the report commissioned by the Advisory Board for the Research Councils from the Institute of Manpower Studies, on contract researchers employed in universities and polytechnics.

Mr. Kenneth Baker: A report on contract researchers in universities, prepared by the IMS, was published by the ABRC last year. I understand that the board will be considering the report of a subsequent survey of such staff (also commissioned from the IMS), and the possibility of publishing this, at its next meeting.

Mr. J. C. Corbacho

Mr. Frank Field: To ask the Secretary of State for Education and Science when he will answer the letter written to him on 17 March by the hon. Member for Birkenhead, regarding the case of Mr. J. C. Corbacho.

Mrs. Rumbold: I replied to the hon. Member on 11 May. I apologise for the delay in replying.

DEFENCE

Sea Harriers

Mr. Cohen: To ask the Secretary of State for Defence on what date he expects approval will be given for airframe modifications to the Sea Harrier FRS1 to enable uprating to FRS2 standard with Blue Vixen radar and advanced medium range air-to-air missiles; and if he will make a statement.

Mr. Sainsbury: Later this year.

R and D (Royalties)

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Defence what arrangements are made for royalties to be paid to Her Majesty's Government when products developed as a result of publicly funded military research and development are exported.

Mr. Sainsbury: When the Ministry funds the development of products which are sold subsequently to third parties, arrangements exist for a commercial exploitation levy to be paid. In general the Ministry encourages the sale of such products and the levy is normally based either on profit sharing arrangements, or, for low-value sales, on a percentage of the net selling price.

Air Combat Manoeuvring

Mr. Macdonald: To ask the Secretary of State for Defence on how many occasions in each of the past five years Royal Air Force personnel have made use of the air combat manoeuvring facilities at *(a)* Decimomannu, Sardinia and *(b)* Nellis air force base, Nevada.

Mr. Freeman: It would not be possible to provide the information requested without disproportionate effort.

Mr. Macdonald: To ask the Secretary of State for Defence what was the annual cost to the Government in each of the past five years of using the air combate manoeuvring facilities at *(a)* Decimomannu, Sardinia and *(b)* Nellis air force base, Nevada.

Mr. Freeman: The cost to Her Majesty's Government in each of the past five years for using the air combat manoeuvring facilities at Decimomannu, Sardinia and Nellis air force base, Nevada was:

£000

Year	*Decimommannu*	*Nellis*
1983-84	518	132
1984-85	450	361
1985-86	793	139
1986-87	409	267
1987-88	441	252

Mr. Macdonald: To ask the Secretary of State for Defence if he will give a breakdown of the typical costs involved in British Royal Air Force personnel and aircraft making use of the air combat manoeuvring facilities at *(a)* Decimommannu, Sardinia and *(b)* Nellis air force base, Nevada.

Mr. Freeman: The cost breakdown sought would require an analysis of expenditures which are not separately identified at this would involve disproportionate effort.

RAF Leuchars

Mr. Andrew Welsh: To ask the Secretary of State for Defence how much and what resources have been invested in the search and rescue facilities based at RAF Leuchars in recent years; and when he expects to make a statement about its future.

Mr. Freeman: The accommodation presently occupied by the RAF Leuchars search and rescue (SAR) flight cost some £1·6 million, of which 97 per cent. is expected to be funded by NATO. This accommodation is not unique or specific to SAR activities. A statement about the final disposition of military SAR helicopters in the United Kingdom is expected to be made in the near future.

Pearce v. Secretary of State for Defence

Mr. Hinchliffe: To ask the Secretary of State for Defence what was the cost of his Department's appeal to the House of Lords on 28 April against the Court of Appeal's ruling on 31 July 1987 in the case of Pearce v. Secretary of State for Defence.

The Attorney-General: I have been asked to reply.

Costs were awarded against the Department and the final figure is not yet available. The Department's own legal expenses were about £7,000.

PRIME MINISTER

Northern Ireland (Deaths)

Mr. McNamara: To ask the Prime Minister if she can now reply to the letter dated 14 April from the hon. Member for Kingston upon Hull, North on the figures for deaths in the current disturbances in Northern Ireland.

The Prime Minister: I replied to the hon. Member yesterday.

WALES

Rating Reform

Mr. Alan Williams: To ask the Secretary of State for Wales, pursuant to his reply of 6 May to the hon. Member for Torfaen (Mr. Murphy), *Official Report*, columns 597-98, if he will publish in the *Official Report* a table showing the estimated community charge and the average rate bill in each authority for units of *(a)* one adult, *(b)* two adults, *(c)* three adults and *(d)* four adults.

Mr. Peter Walker: Estimates of the total of the community charges payable in households with different numbers of adults can be obtained by multiplying the illustrative community charge figures, given in the reply of 6 May by my hon. Friend to the hon. Member for Torfaen (Mr. Murphy), by the number of adults in the household. Information on which to base comparable estimates of average domestic rate bills for such households is not available.

TRADE AND INDUSTRY

National Engineering Laboratory, East Kilbride

Mr. Ingram: To ask the Chancellor of the Duchy of Lancaster if he will list the private companies which have been consulted on the provision of the security services at the national engineering laboratory, East Kilbride.

Mr. Butcher: Preliminary consultations on the provision of security services at the national engineering laboratory have been with the following companies:

Centuryan Security
Group 4 Total Security Ltd.
Honeywell Protection Services
Securicor
Strathclyde Security Services.

Companies (Takeover Bids)

Mr. Dunnachie: To ask the Chancellor of the Duchy of Lancaster if he will take steps to prevent bids being made to take over United Kingdom companies by foreign companies who are protected in their own countries by laws and other devices prohibiting reciprocal action; what representations he has received from Cadbury Schweppes seeking such action; and if he will make a statement.

Mr. Kenneth Clarke: In considering whether a merger or proposed merger should be referred to the Monopolies and Mergers Commission both the Director General of Fair Trading and the Secretary of State take into account all relevant aspects of the case. One consideration which may be relevant in some cases is the extent to which United Kingdom companies have reciprocal freedom to acquire companies based in the home country of the prospective acquirer.

I have received no representations from Cadbury Schweppes on the issue of reciprocity.

Rowntree plc

Mr. Henderson: To ask the Chancellor of the Duchy of Lancaster how many representations have been received by his Department about the future of Rowntree plc.

Mr. Kenneth Clarke: At close of business on 11 May 1988 some 30 representations had been received.

Mergers (EC Proposals)

Mr. Devlin: To ask the Chancellor of the Duchy of Lancaster whether he is supporting the inclusion of a public interest criterion in the European Community proposals for assessment of mergers.

Mr. Kenneth Clarke: The United Kingdom Government have reserved their position on the European Commission's proposal for a Community merger control regulation pending further discussions with the Commission of a number of points, including that relating to a possible public interest criterion.

Companies (American Investment)

Mr. Batiste: To ask the Chancellor of the Duchy of Lancaster what is his estimate of the level of capital investment by United Kingdom companies in the United States of America since 1983.

Mr. Kenneth Clarke: The only available information relates to direct investment overseas by United Kingdom companies. In the four years 1983 to 1986, net outward investment by United Kingdom companies in the USA totalled £14,393 million in cash terms. A breakdown of this figure is contained in table 4 (page 26) of the article "Overseas Direct Investment 1986" in *British Business*, 11 March 1988, a copy of which is in the Library.

Companies (Swiss Investment)

Mr. Lofthouse: To ask the Chancellor of the Duchy of Lancaster what is his estimate of the level of capital investment by United Kingdom companies in Switzerland since 1983.

Mr. Kenneth Clarke: The only available information relates to direct investment overseas by United Kingdom companies. In the four years 1983 to 1986, there was a total net reduction of £211 million in cash terms in investment by United Kingdom companies in Switzerland. A breakdown of this figure is contained in table 4 (page 26) of the article "Overseas Direct Investment 1986" in *British Business*, 11 March 1988, a copy of which is in the Library.

Internal Market Council

Mr. Richard Page: To ask the Chancellor of the Duchy of Lancaster if he will report on the Internal Market Council held on 3 May.

Mr. Maude: The Council, at which I represented the United Kingdom, adopted directives on the safety of toys, the type approval of tractors, and trade in sliced bovine livers. It adopted a regulation extending current arrangements for the movement within the Community of goods sent from one member state for temporary use in one or more other member states.

The Council also discussed proposed directives on the mutual recognition of higher education diplomas and on right of residence throughout the Community for EC nationals not already covered by the treaty of Rome.

Deregulation (Advisory Panel)

Mr. Richard Page: To ask the Chancellor of the Duchy of Lancaster what is the current membership of the advisory panel on deregulation, and when he will be appointing new members.

Mr. Maude: Three new members have been appointed today. They are:

Mrs. Teresa Graham — Senior Manager with Price Waterhouse.
Mr. Stephen Moss—Director, Grosvenor Securities Ltd. and Drakes Restaurant
Mr. Tom O'Connor—Chairman, Elta Plastics Ltd.

The existing membership of the advisory panel on deregulation is as follows:

Mr. Brian Adgey — Managing Director, James Anderson Ltd.
Mr. Brian Crack — Managing Director, Merricks Sico Ltd.
Mr. Colin Dauris — Chairman and Managing Director, James Dauris and Co. Ltd.
Mr. Robert Fleeman — Director, Smaller Business Advisory Services Ltd. and Directors' and Staffs' Advisory Services.
Mr. George Gray—Chairman and Managing Director, Valley Capital Ltd. and Rural Development Commissioner.
Mr. Damon de Laszlo—Chairman, Harwin Ltd.
Mr. Clive Parritt—Managing Partner, Howard Tilly and

Co. Chartered Accountants.
Mr. Phillip White — Chairman and Chief Executive, WYKO Group plc

The advisory panel has made a useful contribution to the enterprise and deregulation unit's work by advising it on the impact of regulatory requirements on business and enterprise development. I recently met members of the advisory panel and I should like to express my gratitude to them for all their work. These new appointments will help to ensure their continuing effectiveness as a source of valuable advice.

Animal Imports

Mr. Corbyn: To ask the Chancellor of the Duchy of Lancaster, if he will list by *(a)* species, *(b)* origin of pelt and *(c)* method of slaughter of animal for import for each year since 1983.

Mr. Alan Clark *[holding answer 12 May 1988]:* The "Overseas Trade Statistics" identified raw skins and furskins by certain species. Information on the method of slaughter is not available. The following raw fur skins have been imported consistently throughout the period from the listed countries:

(a) Sheep and Lambs skins: New Zealand, Irish Republic, Australia, Ethiopia and South Africa;

(b) Mink: USSR, China, Netherlands, Denmark, Finland and USA;

(c) Persian, Astrakhan, Caracul and similar lambs, or Indian, Chinese, Mongolian, and Tibetan lambs: Namibia, Afghanistan and South Africa;

(d) Sea-otters, Nutria and Beaver: Poland;

(e) Musk-rats and marmots: Canada and USA.

The remaining identified species, with their major countries of origin, are given in the table:

	1983	*1984*	*1985*	*1986*	*1987*
Goats and kids skins	Uganda Kenya Ethiopia Netherlands China	Nigeria Uganda Kenya	Kenya Uganda Ethiopia	Kenya Uganda Ethiopia	Nigeria Uganda
Rabbits and Hares	Czechoslovakia USSR Switzerland	France Irish Republic Czechoslovakia	France Belgium/ Luxembourg	Belgium/ Luxembourg Irish Republic	Belgium/ Luxembourg Spain France
Sea-lions and Seals	Canada	Irish Republic Federal Republic of Germany	Norway New Zealand	Irish Republic China Spain	—
Wild felines	USA	USSR Mongolia	Denmark China USA Canada	German Democratic Republic China USA Canada	Irish Republic Nigeria

Insider Trading

Mr. Gould: To ask the Chancellor of the Duchy of Lancaster if he has any plans to introduce further legislation to tackle insider trading.

Mr. Kenneth Clarke *[holding answer 3 May 1988]:* Some of the proposals to amend investigation powers which were announced by my right hon. and noble Friend the Secretary of State on 11 May 1988 concern insider dealing. Apart from these proposals, we have no present plans to introduce further legislation to tackle insider dealing. We do, however, keep the present legislation under review.

ENVIRONMENT

Horse Breeding Studs

Mr. David Nicholson: To ask the Secretary of State for the Environment when he expects to decide on the liability for rating of horse breeding studs; and if he will make a statement.

Mr. Howard: I expect this matter to arise during consideration of the Local Government Finance Bill in the House of Lords. My right hon. Friend intends to reach a decision on this matter in the light of the debate there.

Rating Reform

Mr. Wigley: To ask the Secretary of State for the Environment what are his latest estimates of the changes which will be required in numbers of staff employed by local authorities to deal with domestic rate collection on the implementation of the Local Government Finance Bill.

Mr. Howard: It is for local authorities to estimate the number of staff they will need. Staffing will be one of the issues addressed in the Price Waterhouse study on implementation of the community charge . We expect to receive this report shortly.

Mr. Cohen: To ask the Secretary of State for the Environment whether he will introduce legislation specifically to prohibit any information collected for police purposes being disclosed to a community charge officer; and if he will make a statement.

Mr. Howard: I refer the hon. Member to the reply given by my right hon. Friend to the hon. Member for Copeland (Dr. Cunningham) on 5 May, at column *569*.

Mr. Cartwright: To ask the Secretary of State for the Environment what is his estimate of the average household rate payment in the London borough of Greenwich for 1988-89; and what is his estimate of a community charge based on the same level of expenditure.

Mr. Howard: I hope to be able to publish 1988-89 illustrative community charges for all authorities shortly. However, I do not yet have a budget return from the London borough of Greenwich.

Dr. Cunningham: To ask the Secretary of State for the Environment what is his estimate of the level of community charge for spending at needs assessment which would apply in 1988-89 if the proposed local government finance system were in operation; and what assumptions are made to arrive at that answer.

Mr. Ridley *[holding answer 9 May 1988]:* I hope to be able to publish these figures with full exemplifications for 1988-89 shortly. These estimates are dependent on local authority budget figures. More than 150 authorities have changed the budget figures on which AMA exemplifications were based, seven by more than £1 million.

Mobile Homes (Sale)

Dame Peggy Fenner: To ask the Secretary of State for the Environment if, in the light of increasing accommodation prices, he will consider making a reduction in the percentage commission payable to a site owner upon the sale of a mobile home.

Mrs. Roe: We have no plans to alter the present rate of commission set at 10 per cent. by the Mobile Homes (Commission) Order 1983.

Water Rates

Mr. Blunkett: To ask the Secretary of State for the Environment what representations he has received regarding lost revenue arising from the recent rating appeal in the case of Severn Trent water authority *v.* Cakebread; and if he will make a statement.

Mr. Howard: We have received a number of representations regarding the way in which losses of rate income are dealt with in the block grant system. The local authority associations have sought a meeting with the Department to discuss the matter, and we shall consider all the representations we have received when that meeting has taken place.

Mr. Blunkett: To ask the Secretary of State for the Environment what action he proposes to take arising from the outcome of the recent rating appeal in the case of Severn Trent water authority *v.* Cakebread.

Mr. Howard: As my right hon. Friend announced on 9 March, we shall be tabling amendments to the Local Government Finance Bill that will have the effect of restoring the law to what it was understood to be before the Court of Appeal's decision.

Housing Expenditure

Mr. Gordon Brown: To ask the Secretary of State for the Environment whether he will publish a breakdown of housing expenditure by household type, income and region to identify *(a)* gross rates and *(b)* net rates separately from the family expenditure survey 1986.

Mr. Roe: The sample size in the family expenditure survey is not large enough to give meaningful figures for the breakdown requested.

Mr. Gordon Brown: To ask the Secretary of State for the Environment (1) whether he will publish a breakdown of housing expenditure by household type and income identifying *(a)* gross rates and *(b)* net rates separately as in table 11 in the family expenditure survey 1986;

(2) whether he will publish a breakdown of housing expenditure to identify *(a)* gross rates and *(b)* net rates by region for each type of tenure as in table 29 of the family expenditure survey 1986.

Mrs. Roe: I shall write to the hon. Member with the information as soon as possible.

UNESCO World Heritage Sites

Mr. Corbyn: To ask the Secretary of State for the Environment (1) what action is being taken by him to ensure the preservation of United Nations Educational, Scientific and Cultural Organisation world heritage sites in the United Kingdom;

(2) how many world heritage sites, as defined by the United Nations Educational, Scientific and Cultural Organisation, there are in the United Kingdom; and if he will list them.

Mr. Moynihan *[holding answer 12 May 1988]:* There are 11 world heritage sites in the United Kingdom as follows:

Durham Cathedral and Castle.
Fountains Abbey and St. Mary's, Studley Royal.
The castles and town walls of Edward I in Gwynedd.
Ironbridge Gorge.
Stonehenge, Avebury and Associated Sites.
St. Kilda.
Giant's Causeway and Causeway Coast.
Blenheim Palace.
Palace of Westminster and Westminster Abbey.
City of Bath.
Hadrian's Wall Military Zone.

Before accepting a site for inclusion on the world heritage list satisfactory arrangements need to be made for continuing maintenance and protection. If the hon. Member is concerned about a particular site and would care to write to me with details, I would be happy to comment more fully.

NATIONAL FINANCE

Oil Industry

Mr. Nicholas Bennett: To ask the Chancellor of the Exchequer what representations he has received from the oil industry regarding the harmonisation of excise and value added tax rates on petrol and other transport fuels; and if he will make a statement.

Mr. Lilley: My right hon. Friend has received a number of such representations.

Financial Reports

Mr. Allen: To ask the Chancellor of the Exchequer if the Government have yet examined the proposals of the Public Accounts Committee on financial reports to Parliament; and if he will make a statement.

Mr. Major: The Government's proposals on financial reporting to Parliament, in response to the eighth report

of 1986-87 of the Committee of Public Accounts (HC 98), and to the second report of 1987-88 of the Treasury and Civil Service Committee (HC 22), were sent to the respective Committees on 29 April and were published on Friday 6 May—Cm 375.

Venture Capital

Mr. Blair: To ask the Chancellor of the Exchequer (1) what was the level of venture capital invested on a regional basis for each financial year from 1979 to 1988;

(2) what was the level of venture capital invested in the counties of Cleveland, Cumbria, Durham, Northumberland, Tyne and Wear, East Sussex, Kent, Surrey and West Sussex for each financial year since 1979-80.

Mr. Major: I regret that the information requested is not available.

Housing (Government Support)

Mr. Home Robertson: To ask the Chancellor of the Exchequer if he will publish a table showing changes in the provision of Government financial support, including tax incentives, to public and private sector housing respectively, in Scotland, Wales and each region of England.

Mr. Major: The table shows voted expenditure on housing for the years 1978-79 and 1988-89 for the public and private sectors. It includes both public and non-public expenditure.

	1978-79 (outturn) £ million	*1988-89 (provision) £ million*
England		
Private	832	1,559
Public	1,108	459
Scotland		
Private	41	211
Public	178	81
Wales		
Private	14	81
Public	74	73

A regional breakdown of the figures for England is not available. Regional figures for mortgage interest tax relief for the year 1978-79 can be provided and these are detailed in the following table, but, following the introduction of the MIRAS system in April 1983, regional information can no longer be provided. The United Kingdom figure for 1988-89 mortgage interest tax relief is expected to be £4,250 million.

Figures for mortgage interest relief 1978-79

	£ million
Northern	40
Yorkshire and Humberside	90
North West	105
East Midlands	60
West Midlands	105
East Anglia	35
Greater London	170
Other South East	305
South West	85
Wales	40
Scotland	60
Northern Ireland	15
United Kingdom *total*	1,110

London Weighting

Mr. Cran: To ask the Chancellor of the Exchequer what has been the cost to the Exchequer of paying London weighting to those civil servants located in *(a)* the intermediate zone and *(b)* the outer London zone, who are in receipt of such weighting over the last five years for which figures are available.

Mr. Brooke: The estimated cost to the Exchequer of paying London weighting to those civil servants in the intermediate London zone and the outer London zone, over the last five financial years has been:

	Intermediate London zone, £ million	*Outer London zone, £ million*
1983-84	15·7	11·7
1984-85	15·8	13·3
1985-86	16·6	13·0
1986-87	18·3	13·7
1987-88	19·3	14·4

This excludes the knock-on effects on earnings-related national insurance contributions, superannuation and pensions.

Consumer Expenditure

Mr. Butler: To ask the Chancellor of the Exchequer if, pursuant to his answer of 28 April, *Official Report*, columns *259-60*, he will provide a table showing consumer expenditure estimates for the years 1983 to 1987 at constant prices.

Mr. Major: The information requested is as follows:

Consumers' expenditure estimates constant 1980 prices

£ million

	1983	*1984*	*1985*	*1986*	*1987*
Books	393	369	350	371	381
Records etc.[1]	613	673	736	836	954
Cinema	94	77	96	97	99
Other admissions[2]	1,118	1,165	1,249	1,299	1,365
Newspapers and magazines	1,312	1,327	1,351	1,353	1,356
Catering (meals and accommodation)[3]	7,790	8,168	8,506	9,141	9,842
Alcoholic drink	9,370	9,983	10,224	10,297	10,512
Betting and gaming	1,394	1,419	1,445	1,476	1,554
Social etc. subscriptions[4]	97	100	93	86	79
Leisure goods except records etc. and on pets[5]	2,272	2,405	2,558	2,740	3,007

	1983	1984	1985	1986	1987
Television licences, hire and repairs	1,807	1,871	1,918	2,074	2,151

[1] Also includes audio and video tapes.
[2] Has broadly similar coverage to theatres, live arts and spectator sports.
[3] Besides all meals purchased and consumed away from the home, includes hotel and residential accommodation.
[4] Includes subscriptions to sports clubs.
[5] Includes sports goods, toys, camping equipment, plants and seeds, photographic film and processing.

CIVIL SERVICE

Petitions

Mr. Allen: To ask the Minister for the Civil Service if he will ensure that all parliamentary petitions presented by right hon. and hon. Members, which currently receive a standard format reply to the effect that the Department concerned has no observation to make, in future receive a full response; and if he will make a statement.

Mr. Luce: In accordance with Standing Order No. 135, departmental observations in reply to petitions are not obligatory. It is accordingly for the appropriate Minister or Ministers concerned to decide whether any such observations are called for in response to a particular petition.

SOCIAL SERVICES

Overseas Pensioners

Sir John Farr: To ask the Secretary of State for Social Services what are the numbers of British pensioners living overseas who do not receive pension upratings; and if he will list those three countries with the largest numbers of such deprived pensioners.

Mr. Scott: In December 1987 there were 278,928 British pensioners living overseas who were not entitled to receive pension upratings. The three countries with the largest numbers of such pensioners were Australia, Canada and New Zealand.

Sir John Farr: To ask the Secretary of State for Social Services if he will list the 20 countries in the world with the largest number of British people in receipt of pensions together with the numbers at present resident in each country.

Mr. Scott: The 20 countries in the world with the largest number of British people in receipt of pensions (including widows' benefits) together with the numbers of pensioners resident in each country in December 1987 are as follows:

	Number of pensioners
Australia	117,659
Canada	76,152
Republic of Ireland	49,259
United States of America	41,860
New Zealand	27,957
South Africa	25,273
Spain	17,592
Jamaica	12,617
Federal Republic of Germany	11,632
Italy	10,366
Jersey	6,321
France	5,796
Pakistan	5,514
Guernsey	4,570
Zimbabwe	4,454
Belgium	3,408
India	3,334
Cyprus	2,848
Austria	2,462
Poland	2,445

Benefit Entitlement (Immigrants)

Mr. Boateng: To ask the Secretary of State for Social Services if he will outline the criteria for entitlement of immigrants to the United Kingdom to supplementary benefit, family income supplement and housing benefit under current regulations.

Mr. Scott: Income support (which replaced supplementary benefit from 11 April 1988) and housing benefit are fully available to all who have a right of abode in this country, and to all—including refugees—who have been accepted for settlement here. People who are admitted to the UK for temporary purposes, such as holiday visitors, business men, work permit holders, and students are generally admitted on the basis that they will not have recourse to public funds. Asylum seekers and others seeking permanent leave to remain are entitled to income support, urgent cases payments and housing benefit.

There are no separate criteria for immigrants in family credit (which replaced family income supplement from 11 April 1988). The rules for all claimants are that, at the time of claim, they must be present and ordinarily resident in Great Britain.

Deaf Children

Mr. Ashley: To ask the Secretary of State for Social Services (1) if he will take steps to improve the information health authorities make available to the parents of deaf children with special educational needs;

(2) what representations he has received from the National Deaf Children's Society about deaf children, health authorities and the Education Act 1981; what reply he has sent; and if he will make a statement.

Mr. Scott: I recently received a report from the National Deaf Children's Society about the responsibilities of health authorities under the Education Act 1981 in regard to the special education needs of deaf children. The report is being studied and I will respond to the society in due course.

Pay Increases

Mr. Fearn: To ask the Secretary of State for Social Services (1) what was the percentage change in the period from 1975 to 31 March 1988 in the pay increases received by *(a)* medical physicists and clinical biochemists *(b)*

medical physics technicians, *(c)* medical laboratory scientific officers, *(d)* radiographers and *(e)* radiologists; and what was the percentage change over the same period in the retail price index and in average earnings;

(2) what was the percentage change in each year since 1975 for the pay increases received by *(a)* medical physicists, *(b)* medical physics technicians, *(c)* medical laboratory scientific officers, *(d)* radiographers and *(e)* radiologists; and what were the percentage changes in each year since 1975 in the retail prices index and in average earnings.

Mr. Newton: The available information is given in the table. The settlement levels recorded in the table are not directly comparable with changes in the average earnings index for the same period because the index includes not only the effect of pay settlements but earnings arising from changes in overtime working, increments,, and payments-by-results.

Year (1 August-31 July)	*RPI (July-July)*	*AEI[1] (July-July)*	*Percentage pay settlement*				
			Medical Physicists and Clinical Biochemists	*Medical physics technicians*	*Medical Laboratory Scientific Officers*	*Radiographers*	*Radiologists*
1975-76	12·9	14·0	[2]n/a	[2]n/a	[2]n/a	[2]n/a	2·2
1976-77	17·6	8·5	[2]n/a	[2]n/a	[2]n/a	5·0	2·5
1977-78	7·8	14·2	10·0	10·0	10·0	10·0	10·0
1978-79	15·6	16·5	27·0	23·0	24·9	9·0	25·7
1979-80	16·9	19·0	14·0	13·4	13·4	[3]37·9	[3]31·4
1980-81	10·9	12·0	6·0	6·0	6·0	6·0	6·0
1981-82	8·7	10·9	—	6·0	6·0	7·5	6·2
1982-83	4·2	7·8	[4]10·77	4·5	4·5	4·5	9·7
1983-84	4·5	5·2	4·5	4·5	4·5	7·8	6·9
1984-85	6·9	8·8	4·7	4·7	4·7	[5]12·1	6·3
1985-86	2·4	8·2	6·0	6·0	6·0	8·2	7·6
1986-87	4·4	8·1	5·0	5·0	5·0	9·1	8·25
1975-88	[6]196·5	[6]256·1	n/a	n/a	n/a	n/a	[7]211·1

Notes:

[1] The increase in the average earnings index (AEI) for 1975-76 is based upon the 'Old Series—All Industries and Services', while subsequent years are based upon the 'New Series—Whole Economy' indices.

[2] Settlements for these groups in these years cannot be expressed as a single percentage figure because of staging, variations in timing and the inclusion of flat-rate weekly cash increases with pay threshholds or pay supplements.

[3] Staged award, final part paid with effect from 1 April 1980.

[4] Two year agreement, implemented in single stage in September 1982.

[5] Staged award, final part paid with effect from 1 February 1986.

[6] The increase in the retail prices index (RPI) is from July 1975 to March 1988, and the average earnings index is from July 1975 to February 1988 (provisional) 'New Series'—the latest month available.

[7] Excludes 1988 award payable from 1 April 1988.

Home Helps

Mr. Tom Clarke: To ask the Secretary of State for Social Services if he will publish a table in the *Official Report* showing for each local authority in the United Kingdom the number of home helps employed on a per capita basis, for each year since 1979.

Mr. Newton: The full information requested for each local authority is not readily available and could be supplied only at disproportionate cost. The table gives the information requested for the provision of home helps per capita (expressed per thousand population, all ages) for England only.

Information collected centrally on home helps employed by social services departments for each local authority in England is published on an annual basis in "Staff of Local Authority Social Services Departments" (S/F 1). Mid-year population estimates for shire counties, metropolitan districts and London boroughs are given in the annual OPCS vital statistics publications (Series VS). Copies are available in the Library.

Information for the rest of the United Kingdom is a matter for my right hon. and learned Friend the Secretary of State for Scotland and my right hon. Friends the Secretaries of State for Wales and Northern Ireland.

Home helps (expressed as whole-time equivalent) per thousand population (all ages), England, 1979-86

As at 30 September	*Home helps (wte) per thousand population (all ages)*
1979	0·96
1980	1·00
1981	0·99
1982	1·01
1983	1·05
1984	1·08
1985	1·10
1986[1]	1·14

[1] Provisional.

Note: Figures exclude home help organisers and assistant and trainee home help organisers.

TRANSPORT

Ferry Services (Fares)

Mr. Tony Lloyd: To ask the Secretary of State for Transport what is his latest information about trends in fare levels for ferry services.

Mr. David Mitchell: Fares on ferry services are a matter for the companies involved. The Department of Transport has no responsibility for records of ferry fare level trends.

Rail Services (Report)

Mr. McTaggart: To ask the Secretary of State for Transport what is his policy towards the level of provision of rail services, in the light of the National Economic Research Associates' report on rail services, commissioned by the National Union of Railwaymen, a copy of which has been forwarded to him; and if he will make a statement.

Mr. David Mitchell: Government policy towards the level of provision of rail services was set out in the Government observations on the Transport Select Committee's report on the financing of rail services (HC 420, annex C). I shall shortly be discussing the National Economic Research Associates' report with the National Union of Railwaymen in the context of this policy.

Heathrow (Charges)

Mr. Tony Lloyd: To ask the Secretary of State for Transport whether his Department has given written evidence to the inquiry by the Civil Aviation Authority into the charges imposed by Heathrow Airport plc for freight movements between Heathrow and non-BAA airports: and when he expects the CAA to reach a decision.

Mr. Peter Bottomley: In accordance with section 42 of the Airports Act 1986, my right hon. Friend the Secretary of State gave written advice to the CAA in October 1987 relating to the charging practices of the other countries involved in the dispute. The CAA expects to complete its investigation and issue a decision by late summer.

National Bus Company

Mr. Nicholas Bennett: To ask the Secretary of State for Transport if he will make a statement on the progress of the privatisation of the National Bus Company.

Mr. David Mitchell: The privatisation of the National Bus Company's bus operations was completed on 22 April when London Country (North East) was sold. These sales, over half of which were management or employee buy-outs, were completed almost nine months before the statutory deadline, which is a tribute to the board of NBC and a clear indication of the industry's appreciation of the opportunities afforded by deregulation.

Settle-Carlisle Railway

Mr. Cryer: To ask the Secretary of State for Transport where the train diversions hitherto using the Settle to Carlisle railway will be accommodated on the British Rail network if a decision is made to close the Settle-Carlisle route.

Mr. David Mitchell: This is a management matter for British Rail. Its proposals for diversionary routes are set out in the board's financial case for the closure of this line, a copy of which was deposited in the Library of the House.

Commercial Vehicles (Weight)

Mr. Cryer: To ask the Secretary of State for Transport if he will publish a table showing the registrations of commercial road vehicles in each category of gross weight for the past 10 years; and if he will make a statement.

Mr. Peter Bottomley: The available information is as follows:

New registrations of goods vehicles[1]: by gross vehicle weight: Great Britain

Over	Not over (Tonnes)	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*	*1987*
	3·5	—	—	—	—	—	18·3	19·5	22·4	23·6	28·3
3·5	7·5	—	—	—	—	—	16·4	17·3	18·8	18·7	19·2
7·5	12	—	—	—	—	—	2·3	2·1	2·2	2·2	2·1
12	25	—	—	—	—	—	16·0	17·2	16·4	16·2	16·4
25	33	—	—	—	—	—	9·0	7·3	7·7	7·5	7·7
33		—	—	—	—	—	3·0	5·8	6·6	6·7	8·6
All vehicles		79·8	91·3	74·7	56·3	58·8	64·9	69·1	74·2	74·9	82·2

[1] Goods vehicles above 1,525 kgs unladen weight but including farmers' and showmen's goods vehicles not over this limit.
— Not available.

Severn Bridge

Mr. Roy Hughes: To ask the Secretary of State for Transport (1) what is the nature of the work still to be done on the Severn bridge;

(2) what work is currently under way on the Severn bridge;

(3) what items of repair and renovation have been completed on the Severn bridge;

(4) what is the estimated completion date for the current renovation and maintenance work on the Severn bridge;

(5) what is the estimated final cost of repair work on the Severn bridge;

(6) what is the up-to-date cost of the renovation and maintenance work on the Severn bridge.

Mr. Peter Bottomley: The first two contracts for the provision of improved access and for strengthening the Aust viaduct were completed in 1986. Work currently under way includes the strengthening of the deck steelwork, installation of new hangers and the fitting of new columns inside the towers of the Severn bridge. Extension of towers and replacement of cable stays on the Wye bridge are also in hand, together with work to protect three river piers against possible shipping collision. A contract for resurfacing the crossing will start next year.

The programme of strengthening and resurfacing is due to be completed by the end of 1990 at an estimated cost of £56 million. Expenditure on the strengthening programme to the end of 31 March 1988 was approximately £15·5 million.

THE ARTS

Items in Lieu of Tax

Mr. Aspinwall: To ask the Minister for the Arts if there have been any items accepted in lieu of tax or allocated since he last made an announcement on the subject to the House.

Mr. Luce *[pursuant to his reply, 12 May 1988, c. 218-19]:* I regret that the answer that I provided contained errors regarding the figures of the "special price" of £868,444 and the amount of £230,000 paid to the owner of the portrait of Captain William Wade by Thomas Gainsborough. The correct figures are £855,000 and £216,566 respectively. The amount of £216,556 was raised jointly by the Bath city council (from its Franklin Mint Fund), the National Art Collections Fund and the National Heritage Memorial Fund.

SCOTLAND

Forestry

Mr. Ron Davies: To ask the Secretary of State for Scotland what is the percentage of sawlogs which the Forestry Commission estimates will fail the M75 grading from plantations spaced at 1, 1·5, 2, 2·5, and 3m, respectively.

Lord James Douglas-Hamilton: M75 grading refers to a classification used to describe strength of sawn wood. The percentage and total yield per hectare of sawn wood falling below M75 grading vary with age, species, thinning and pruning treatment, as well as, in certain instances, the original spacing of the plantation. No estimate is available of the effect of spacing on all species. Where, however, there is evidence that significant reductions in the yield of higher grades may result from wider spacing, this is taken into account in current silvicultural practice.

Mr. Davies: To ask the Secretary of State for Scotland if he will make a statement on his policy regarding future tree planting undertaken by the Forestry Commission in Scotland, with particular regard to the area of bare land to be annually afforested, the percentage of broadleaved trees to be used and the rate of return to be expected from such afforestation.

Lord James Douglas-Hamilton: The Forestry Commission will continue to have a programme of new planting in Scotland of between 4,000 and 5,000 hectares a year. It is the commission's policy to incorporate at least 5 per cent. broadleaves in its planting schemes wherever it is practical to do so. New planting by the commission in Scotland between 1987 and 1990 is expected to earn 2·5 per cent. It would be 2·8 per cent. if there were no provision for the planting of broadleaves.

Area Health Boards

Mr. Doran: To ask the Secretary of State for Scotland (1) what proportion of the increase in expenditure which will be incurred by each area health board in Scotland as a result of the recent increase in pay for medical and nursing staff will be met by his Department;

(2) what additional payments will be made in cash terms to each area health board in Scotland to meet the costs incurred as a result of the recent pay awards to medical, nursing and other staff;

(3) what is the percentage increase in expenditure in each of the area health boards in Scotland as a result of the recent pay award to medical and nursing staff.

Mr. Michael Forsyth: The sum of £92 million is being made available in Scotland to finance the full additional costs of the review body pay recommendations. Health boards will be informed of their additional allocations shortly.

Police Manpower

Mr. David Marshall: To ask the Secretary of State for Scotland what plans he has to increase police manpower in Scotland; and if he will make a statement.

Lord James Douglas-Hamilton: I have nothing to add to the reply I gave to a similar question from the hon. Member for Greenock and Port Glasgow (Dr. Godman) on 8 March, at column *145*.

Detoxification Centre, Glasgow

Mr. David Marshall: To ask the Secretary of State for Scotland what plans he has to set up a detoxification centre in Glasgow; and if he will make a statement.

Mr. Michael Forsyth: The provision of designated places is a matter for voluntary organisations, which may be eligible for grant under section 10 of the Social Work (Scotland) Act 1968, or local authorities. I have not received any proposals for a designated place in Glasgow.

Prescription Pads

Mr. David Marshall: To ask the Secretary of State for Scotland what evidence he has as to the numbers of doctors' prescription pads which are lost or stolen annually; and if he will make a statement.

Mr. Michael Forsyth: During the last year some 214 prescription pads or parts of pads were reported as lost or stolen. This figure includes cases where the theft of a pad was incidental to another crime. Health boards normally circulate information about missing pads to chemists to prevent fraudulent use of prescriptions.

Stolen Prescriptions

Mr. David Marshall: To ask the Secretary of State for Scotland what estimate he has as to the numbers of stolen prescriptions which were processed by chemists in each of the last three years.

Mr. Michael Forsyth: Where a chemist is presented with a prescription which he suspects is being used fraudulently, he would not process it but would alert the police. It is not possible to say how many fraudulent prescriptions are not detected at this stage and are inadvertently dispensed.

National House Condition Survey

Mr. Home Robertson: To ask the Secretary of State for Scotland if, pursuant to his reply to the hon. Member for East Lothian, 29 October 1987, *Official Report*, c. *431*, he has yet concluded his consideration of the proposal that there should be a comprehensive national house condition survey in Scotland.

Lord James Douglas-Hamilton: I have, as yet, nothing further to add to the answers that I gave to the hon. Member on 2 November 1987, at column *431*, and to the hon. Member for Angus, East (Mr. Welsh) on 8 March 1988, at column *85*.

Housing Association Tenants

Mr. Home Robertson: To ask the Secretary of State for Scotland if he has made any arrangements to enable the Scottish Special Housing Association tenants who wish to do so to transfer their homes to registered housing associations without losing their status as secure tenants before the implementation of part 2 of the Housing (Scotland) Bill.

Lord James Douglas-Hamilton: The Scottish Special Housing Association already operates a general policy of enabling its tenants to have access to a wide choice of arrangements in relation to the ownership and management of their homes. Where SSHA tenants wish the ownership of their houses to be transferred to a registered housing association, the unprecedentedly high level of capital allocation that we have made available to the Housing Corporation in Scotland for the current financial year will facilitate the acquisition of the houses by associations, although detailed decisions about the content of their programmes are a matter for the corporation.

Glasgow (Housing)

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will make a statement on his policy on each of the conclusions of the Grieve report following the inquiry into housing in Glasgow.

Lord James Douglas-Hamilton: The Government's response to the Grieve report was sent to the City of Glasgow district council on 29 February. A copy of that document has been placed in the Library.

Council House Sales

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will make it his policy to compensate any local housing authority which may be obliged to sell a house to a tenant for less than the outstanding debt on that property as a result of recently announced changes in the cost floor mechanism.

Lord James Douglas-Hamilton: There are no plans to introduce any special arrangements. The housing support grant system takes account of authorities' aggregate outstanding debt position and the loan charges which fall to their housing revenue account. Authorities incurring deficits in terms of the housing support grant calculations already receive subsidy equivalent to these deficits.

Poor Quality Housing

Mrs. Fyfe: To ask the Secretary of State for Scotland whether he will undertake a study of the effect of poor quality housing on families with young children.

Lord James Douglas-Hamilton: My right hon. and learned Friend has no plans at present to undertake a study of this kind. It is the responsibility of district and islands councils to assess the housing needs of their areas.

Disabled Persons

Mr. Tom Clarke: To ask the Secretary of State for Scotland when he now expects to announce the full implementation in Scotland of the Disabled Persons (Services, Consultation and Representation) Act 1986; and if he will make a statement.

Mr. Michael Forsyth: As indicated to the hon. Member in my reply of 10 December 1987, the rate of implementation of further provisions in the Act must be dependent on the availability of resources. We have made progress earlier this year with the commencement of section 13 on persons leaving special education. I have no plans for commencing further provisions at present, but I shall keep the matter under careful review.

New Towns

Mr. Allan Stewart: To ask the Secretary of State for Scotland if he has yet given any consideration to the terms of the review of new towns promised by his predecessor in 1984.

Mr. Rifkind: The Government statement in November 1984 envisaged a review of the future of the Scottish new towns in 1989. To ensure that the Government's proposals are informed by the fullest possible consultation, I consider it necessary now to embark on the review, which I hope to conclude in the spring of 1989.

Formal consultation letters will be sent to the development corporations towards the end of May, inviting their comments on the four main areas to be covered by the review. These are:

(a) the criteria for determining when a new town development corporation may be judged substantially to have completed its task;

(b) the forward programme for wind-up, including the possibility of setting target dates;

(c) the transfer at wind-up of residual new town housing, industrial and community assets;

(d) the arrangements for employees of the development corporations.

The 1984 statement set down "trigger" populations for each of the five new towns, the attainment of which would set in motion the wind-up process. The statement promised a review in 1989 of these "triggers" and of progress towards them. However, it will be appropriate also to consider whether population — which can fluctuate for reasons unconnected with the physical, economic or social development of a town — remains a valid criterion. The review will examine alternative criteria for determining when to begin wind-up. It remains our intention that no development corporation will be wound up before 1 April 1990.

The White Paper "Housing: the Government's Proposals for Scotland" (Cm. 242) published in November 1987 made clear the Government's view that it would no longer be appropriate for the entire housing stock of a

development corporation to transfer automatically on wind-up to the district council. The review will examine various options for dealing with rented housing still in the corporation's hands at wind-up, including possible roles for the district council.

As regards industrial and commercial property, the intention has been that these assets should on wind-up transfer to the Scottish Development Agency. However, the review will explore alternatives, including ways of transferring these assets into the private sector. Arrangements for the future management of community related assets such as open space and recreational facilities will also be developed.

In the course of the review the Department will consult the development corporations, local authorities and other interested bodies. A fundamental principle of the review will be to seek solutions that will maintain the vigorous success of the new towns in attracting and generating employment and in providing a very high quality of environment in which to live and work.

Much of the new towns' success has been due to the inventiveness and professionalism of development corporation staff. The Government will ensure during the review that staff are kept properly informed of developments.

Mental Health Patients

Mr. Galbraith: To ask the Secretary of State for Scotland how many mental health patients in Scotland lost their entitlement to vote in the last general election as a result of their residence in a hospital.

Lord James Douglas-Hamilton *[holding answer 12 May 1988]:* This information is not available. The answer I gave on 16 November 1987 to the hon. Member for Glasgow, Provan (Mr. Wray), at column *257*, set out the facilities available to patients in mental hospitals at the last general election.

NORTHERN IRELAND

Derry Film and Video Collective Co. Ltd.

Mr. Beggs: To ask the Secretary of State for Northern Ireland what information he has as to how the allocation from the European social fund to Derry Film and Video Collective Co. Ltd. was spent.

Mr. Viggers: The Department of Economic Development has no information as to how the allocation was spent because the company has not yet submitted a detailed claim for payment.

Under-fives

Mr. McGrady: To ask the Secretary of State for Northern Ireland (1) what is the current population of four-year-olds in the *(a)* South Eastern education and library board, *(b)* North Eastern education and library board, *(c)* Belfast education and library board, *(d)* Southern education and library board and *(e)* Western education and library board;

(2) what proportion of four-year-olds in each of the education and library board areas in Northern Ireland attend *(a)* nursery education provision, *(b)* primary school and *(c)* pre-school playgroup provision;

(3) what is the current population of three-year-olds in the *(a)* South Eastern education and library board, *(b)* North Eastern education and library board, *(c)* Belfast education and library board, *(d)* Southern education and library board and *(e)* Western education and library board;

(4) what proportion of three-year-olds in each of the education and library board areas in Northern Ireland attend *(a)* nursery education provision, *(b)* primary school and *(c)* pre-school playgroup provision;

(5) what proportion of three-year-olds in each of the education and library board areas in Northern Ireland are within families *(a)* with single parents, *(b)* with unemployed parents and *(c)* in receipt of income support and family credit;

(6) what proportion of four-year-olds in each of the education and library board areas in Northern Ireland are within families *(a)* with single parents, *(b)* with unemployed parents and *(c)* in receipt of income support and family credit;

(7) what proportion of the population in each of the education and library boards in Northern Ireland is under five years old.

Dr. Mawhinney: I refer the hon. Gentleman to the reply given to questions by the hon. Member for Antrim, North (Rev. Ian Paisley) on 24 March 1988, at column *226*. Other information is not available in the form requested.

Electricity Industry

Mr. Michael Brown: To ask the Secretary of State for Northern Ireland when he last met the chairman of the Northern Ireland Electricity Service; and if the subject of privatisation of the electricity supply industry was discussed.

Mr. Viggers: My right hon. Friend last met the chairman on 21 December 1986; I have met him on a number of occasions since, most recently on 22 December 1987. Privatisation has not been discussed, for the reasons given in my reply to the hon. Member on 16 March 1988, at column *619*.

Mr. Michael Brown: To ask the Secretary of State for Northern Ireland if he will publish a White Paper on privatisation of the electricity supply industry in Northern Ireland.

Mr. Viggers: I would refer my hon. Friend to the reply given to him on 16 March 1988, at column *619*.

EMPLOYMENT

Radiation

Mr. Cohen: To ask the Secretary of State for Employment what proposals the Government are considering to reduce the annual radiation dose to workers; when a decision is expected to be announced; and if he will make a statement.

Mr. Nicholls: As announced on 18 November 1987, the Health and Safety Commission has set up a working group on ionising radiations. As part of its remit the working group is considering the whole question of radiation control measures in the light of guidance given by the National Radiological Protection Board. The working

group hopes to be able to advise the commission on this matter later this year. I am content to await any subsequent recommendations.

Meanwhile, Health and Safety Executive inspectors are paying particular attention to the requirement in the Ionising Radiations Regulations 1985 that doses should be kept as low as reasonably practicable and not merely below the dose limits.

Mr. Cohen: To ask the Secretary of State for Employment if he has any plans to restrict *(a)* nuclear contractors or *(b)* workers travelling between and working at different reactors, so as to restrict the exposure to radiation of workers employed by nuclear contractors; and if he will make a statement.

Mr. Nicholls: The Ionising Radiations Regulations 1985 require all employers to ensure that, amongst other matters, doses of ionising radiations received by employees are kept as low as reasonably practicable and in any case below the relevant statutory limits. We do not believe there is any need to restrict nuclear contractors or workers travelling between sites any more stringently than other workers exposed to ionising radiations.

Flammable Gases and Liquids

Mr. Bowis: To ask the Secretary of State for Employment if the Health and Safety Commission has yet considered the proposals by the advisory committee on dangerous substances for future controls over flammable gases and liquids; and if he will make statement.

Mr. Nicholls: Having received the advice of its advisory committee on dangerous substances, the Health and Safety Commission has decided to drop its proposed regulations on flammable gases and liquids in favour of an alternative approach, based on a series of practical initiatives aimed at specific hazards or risks. Emphasis will now be placed on updating or extending standards and guidance in close co-operation with industry on a number of issues, chiefly the keeping and use of liquefied petroleum gas (LPG) in residential premises, controls for flammable liquids and the construction and operation of petrol filling stations. It is also intended to propose adjustments to the Gas Safety (Installation and Use) Regulations 1984, so that they cover all installations where LPG is supplied through fixed pipes.

The advisory committee noted that the Health and Safety Commission had already taken steps to meet concerns about standards of gas installation with two initiatives. The commission has published an approved code of practice, which comes into operation in August, concerning standards of training in safe gas installation. In consultation with the Council of the Confederation for the Registration of Gas Installers, it is developing proposals for an independent, broadly based representative body to promote safe gas installation. Mandatory registration of gas installers with such a body is among the proposals currently being considered.

London Docklands

Mr. Leighton: To ask the Secretary of State for Employment if, pursuant to his answer of 9 May, he will break down the figures provided of the unemployed in the docklands area so as to show how many in each category are within the urban development area of London docklands.

Mr. Lee: The following information is in the Library. The table shows the number of male and female unemployed claimants, by age, in the local authority wards which most closely correspond to the urban development area of London docklands.

Urban development area—London docklands
January 1988

	Unemployed claimants	
	Males	*Females*
16 years	45	38
17 years	93	73
18 years	100	75
19 years	135	84
20 to 24 years	780	376
25 to 29 years	830	241
30 to 34 years	666	136
35 to 39 years	450	90
40 to 44 years	403	104
45 to 49 years	380	113
50 to 54 years	462	97
55 to 59 years	445	103
Over 60 years	178	11
Total all ages	4,967	1,541

Restart Programme

Mr. Leighton: To ask the Secretary of State for Employment whether a restart interview includes a question on previous employment.

Mr. Lee: The aim of a restart interview is to provide people with information and advice that will help them into work. In most circumstances the interview will involve some discussion about a client's previous employment.

Small Businesses

Dame Peggy Fenner: To ask the Secretary of State for Employment (1) what records are kept showing the percentage of success in cases brought to county courts under the small claims procedure by small businesses;

(2) what are the implications of the rate of success achieved in cases brought to county courts by small businesses under the small claims procedure for his Department's advice to enterprise agencies on the merits of embarking on such a course.

Mr. Cope: The judicial statistics maintained by the Lord Chancellor's Department do not break down information on small claims at county courts by type of plaintiff. Local enterprise agencies are autonomous private sector-led organisations and it would be inappropriate for his Department to give advice to them on the merits of pursuing small claims in county courts.

Penlee Quarry, Newlyn

Mr. Cryer: To ask the Secretry of State for Employment whether prosecutions are to be undertaken against the owners of Penlee quarry, Newlyn, Penzance, following the accident on 28 January, 1987; and if he will make a statement.

Mr. Nicholls: No. The circumstances as identified by the investigation gave no grounds for the institution of prosecution proceedings against the owners.

Mr. Cryer: To ask the Secretary of State for Employment how many visits were made during the five

years prior to 1987 by a mines and quarries inspector to Penlee quarry, Newlyn; what changes were required; how many were carried out; how many improvement or prohibition notices were issued; and if he will make a statement.

Mr. Nicholls: There were 11 visits made to Penlee quarry in the five years prior to 1987. There were no prohibition or improvement notices issued. There were 25 recommendations made by mines and quarries inspectors during this period and these were acted upon by management.

Hantergantick Quarry, St. Bernard

Mr. Cryer: To ask the Secretary of State for Employment how many visits were made by mines and quarries inspectors to Hantergantick quarry, St. Bernard, in the five years prior to August 1987; how many prohibition or improvement notices were issued; how many changes were recommended and acted upon; and if he will make a statement.

Mr. Nicholls: There were four visits made to Hantergantick quarry during this period. No prohibition or improvement notices were issued. There were eight recommendations by Her Majesty's mines and quarries inspectors and these were acted upon by the management.

Mines and Quarries Inspectorate

Mr. Cryer: To ask the Secretary of State for Employment what was the purpose of the recent meeting between the Director-General of the Health and Safety Executive and the Chief Inspector of Mines and Quarries; if the chief inspector was invited to make increased use of powers under the Health and Safety at Work etc. Act; whether any action is to be taken against the chief inspector in the light of the prosecution record of the Mines and Quarries Inspectorate; and if he will make a statement.

Mr. Nicholls: The purpose of the meeting between the Health and Safety Executive and Her Majesty's Chief Inspector of Mines and Quarries was to discuss the accident record in recent years in quarries and the means to its improvement. As part of this wide-ranging discussion Her Majesty's chief inspector was invited to make the fullest use of his powers under the Health and Safety at Work etc. Act 1974. In addition, the means by which co-operation by all parts of the industry to reduce the accident levels were explored, including the encouragement of greater efforts through communication, guidance and training. The executive indicated its intention to meet at regular intervals over the next two years to review progress.

Scotch Derrick Cranes

Mr. Cryer: To ask the Secretary of State for Employment if he is satisfied that under the Quarries (General) Regulations 1958, competent persons are required to detect the difference between steel and cast iron components used in Scotch derrick cranes, in view of guidance note PM43 issued in May 1984 by the Health and Safety Executive; and if he will make a statement.

Mr. Nicholls: The competent person carrying out a thorough examination of a Scotch derrick is expected either to identify any critical parts made of cast iron or to advise the owner that the material of such parts should be established.

Confectionery Firms

Mr. Robert Banks: To ask the Secretary of State for Employment how many people are employed in the confectionery sector in the York travel-to-work area.

Mr. Lee: This information cannot be given without indirectly disclosing information relating to individual firms which was collected in confidence.

Minimum Wages

Mrs. Fyfe: To ask the Secretary of State for Employment how many companies were prosecuted for paying below the wages council minimum in 1987; and how many were found to be paying below the minimum.

Mr. Nicholls *[holding answer 12 May 1988]:* Of the eight employers prosecuted in 1987, four were for paying workers less than the wages council minimum; 4,443 establishments were found to have underpaid one or more workers.

Disposable Income

Mr. Nigel Griffiths: To ask the Secretary of State for Employment what was the aggregate disposable income in 1979, 1981, 1983, 1985 and 1986, showing the median, lowest and highest deciles, and the lower and upper quartiles, for the following household types: *(a)* one adult retired, mainly dependent on state pensions, *(b)* one man and one woman retired, mainly dependent on state pensions, *(c)* one man, one woman and one child *(d)* one man, one woman and two children and *(e)* one man, one woman and three children, adjusting the figures for 1979 and 1981, as provided for 1983 in the *Official Report*, 22 July 1987, columns 211-212, so as to achieve a consistent basis.

Mr. Lee: It is not possible to produce estimates from the family expenditure survey for 1979 and 1981 on the same basis as those provided for 1983, in the *Official Report* of 22 July 1987. Figures for 1983, 1985 and 1986 are shown in the table.

Distribution of weekly household disposable income[1]

	Lowest decile £	*Lower quartile* £	*Median* £	*Upper quartile* £	*Highest decile* £
1983					
(a)	34·42	35·26	37·85	42·52	51·67
(b)	56·62	59·34	65·54	73·25	86·67
(c)	80·07	120·31	155·82	202·91	272·23
(d)	98·98	131·73	172·40	218·68	288·62
(e)	79·00	116·42	161·99	216·90	284·76
1985					
(a)	37·12	38·44	41·17	45·00	50·09
(b)	61·21	63·96	71·80	78·63	94·87
(c)	84·20	128·00	173·78	239·38	307·54
(d)	102·05	148·68	198·88	260·52	335·91
(e)	86·80	132·00	188·00	241·67	304·67
1986					
(a)	39·31	40·97	46·37	56·43	65·94
(b)	65·86	71·26	82·72	95·64	106·77

	Lowest decile £	Lower quartile £	Median £	Upper quartile £	Highest decile £
(c)	99·60	141·99	201·45	260·10	344·22
(d)	110·36	158·52	219·21	298·30	279·05
(e)	101·37	144·40	216·26	278·72	374·65

Source: Family Expenditure Survey.

[1] Household disposable income is defined as gross weekly cash income (plus imputed income from owner occupancy of housing) less statutory deductions and payments of income tax and national insurance contributions. Cash income includes wages and salaries, income from self employment, investment income, pensions and annuities, and social security benefits but does not include non-cash benefits such as housing benefit.

ENERGY

Electricity Supplies

Mr. Dalyell: To ask the Secretary of State for Energy, pursuant to his Answer of 9 May, *Official Report*, columns 3-4, if he will specify to whom he was referring when he stated that there are many people in the electricity supply industry whose knowledge of transmission is as extensive as Lord Marshall's but who do not share his views on the future structure and ownership of the national grid.

Mr. Parkinson: There is widespread support for the Government's proposals in the electricity supply industry, but it would be invidious and inappropriate to single out individuals.

British Gas Shareholders

Mr. Gordon Brown: To ask the Secretary of State for Energy, how many shareholders there are in British Gas *(a)* who have paid the final instalment and *(b)* who have not paid the final instalment.

Mr. Peter Morrison: Over 99 per cent. of the nearly 3 million payments required in the British Gas third instalment had been processed by the close of business on Wednesday 11 May. Work is in hand to resolve the remaining cases, which number fewer than 30,000.

AGRICULTURE, FISHERIES AND FOOD

Pigmeat

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food what were the amounts of money levied on pigmeat producers by the Meat and Livestock Commission through the general expenses levy and the species promotion levy during 1987-88; how much was spent on pigmeat promotion during the same year; and if he will provide forecasts for the above for the current financial year and 1989-90 and 1990-91 respectively.

Mr. Donald Thompson: This is a matter for the Meat and Livestock Commission itself. The information it has given me is in the table.

MLC Levy on pig industry and expenditure plans 1987-91

£ thousand

	1987-88 Actual[1]	1988-89 Budget	1989-90 Plan	1990-91 Plan
Income—Levy				
1. General levy	5,560	5,533	5,458	5,328
2. Producer-funded levy for pigmeat promotion	[2]1,302	2,038	[4]2,360	[4]2,664
3. Allocation from General Levy Income to pigmeat promotion	1,935	1,400	800	330
4. Sums available for pigmeat promotion	[3]3,433	[3]4,328	[3]—	[3]—
Expenditure on Pigmeat promotion	2,543	—	—	—

[1] Subject to audit.

[2] Commenced 17 August 1987.

[3] This sum comprises (or will comprise) income plus available reserves in pork and bacon promotion fund brought forward (underspent in previous years).

[4] Amounts of levy have not been determined: the Commission's plan depends on recommendations from the Pork and Bacon Promotion Council.

EC Free Food

Mr. Butler: To ask the Minister of Agriculture, Fisheries and Food whether he expects there to be any European Community free food distribution in Warrington in the current year; and if he will make a statement.

Mr. Gummer: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for Cambridgeshire, North-East (Mr. Moss) on 21 April. Although no organisations based in Warrington have been designated to operate the EC free food scheme this year, some designated organisations have said that they will operate widely across the country.

Milk

Mr. Butler: To ask the Minister of Agriculture, Fisheries and Food if, pursuant to the answer of 4 May, *Official Report*, column *478*, he will standardise the producer price per kilogramme of milk in 1987 in pounds sterling.

Mr. Donald Thompson: The information requested is set out in the table.

Producer Price[1] of Milk: 1987

	£ per kg[6]
Japan[2] (manufacturing)	0·350
(fluid)	0·383
United States[3]	0·166
New Zealand[4]	[7]0·060
European Community Member States[5]	
United Kingdom	0·155
Germany	0·208
France	[7]0·179
Italy	0·245
Netherlands	0·217
Belgium	[7]0·182
Luxembourg	0·200
Ireland	[7]0·158
Denmark	0·219
Greece	[7]0·168

Notes:
[1] Relates to milk of varying fat content.
[2] Guaranteed price for manufacturing milk delivered to factory: average selling price for fluid milk.
[3] Average price for all milk sold to plants.
[4] Farmgate price of milk fat converted to milk equivalent; actual fat content.
[5] Ex farm, actual fat content: net of co-responsibility levy. No data are readily available for Spain and Portugal.
[6] Converted at average exchange rates for 1987.
[7] Provisional.

Salmon

Mr. Onslow: To ask the Minister of Agriculture, Fisheries and Food when he expects to receive the first report from the advisory committee on salmon stocks; and what matters he expects this to cover.

Mr. Gummer: I understand that the salmon advisory committee hopes to submit its first report, which will deal with the availability of information on the status of salmon stocks, later in the summer.

Nestlé

Mr. Henderson: To ask the Minister of Agriculture, Fisheries and Food if his Department has received any representations from Nestlé; and what response was given.

Mr. MacGregor: At his request, Mr. Maucher, chairman of Nestlé, met me on Monday 9 May 1988 to put points concerning Nestlé's bid for Rowntree plc, which I noted.

Farm Diversification

Mr. Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food what advice he has received from the European Commission of the percentage of expenditure on set-aside proposals which will be provided from Community funds; and if he will make a statement.

Mr. Gummer *[holding answer 10 May 1988]*: The Communiity financial contribution is to be in the form of reimbursement from the European agricultural guidance and guarantee fund of a proportion of the payment made to participating farmers. The relevant Community legislation sets the following rates of reimbursement:

50 per cent. for that portion of the payment which does not exceed 200 Ecu (£140) per hectare per annum;

25 per cent. for that portion of the payment which is between 200 Ecu and 400 Ecu (£140—£280) per hectare per annum;

15 per cent. for that portion of the payment which is between 400 and 600 (£280 — £400) per hectare per annum.

Fishing Industry

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the future role of the producer organisations in the fishing industry.

Mr. Gummer *[holding answer 12 May 1988]:* Producer organisations will continue to form an integral part of the common organisation of the market. In particular they will continue to manage their membership to ensure that fishing is carried out along rational lines to maximise returns from the market and to ensure grading and labelling requirements are observed.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food if he will outline his practice on gathering information, consulting and announcing his decisions on total allowable catches and related matters to individual fishermen at the ports.

Mr. Gummer *[holding answer 12 May 1988]:* Decisions on total allowable catches are taken by the Council of Fisheries Ministers in the light of the latest scientific advice and other relevant factors. Consultation with the industry is a continual process throughout the fishing year; in particular MAFF fisheries scientists meet the main industry representatives in November of each year to discuss the latest scientific assessments on fish stocks of interest to the United Kingdom. The EC Commission's proposals on total allowable catches are circulated to the main industry organisations for comment and are subject to full parliamentary debate prior to final adoption.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food what he hopes to achieve at the next EC Council of Ministers meeting with regard to the fishing industry in general, and the inshore fleets in particular.

Mr. Gummer *[holding answer 12 May 1988]:* The agenda for the next EC Council of Fisheries Ministers has yet to be finally settled.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food if he will take steps to make available to the public information about vessel landings and catches; and if he will make a statement.

Mr. Gummer *[holding answer 12 May 1988]:* Information on vessel landings and catches is published on a regular basis through several channels:

(i) The annual "Sea Fisheries Statistics Table" is a publication of the Government statistical service (GSS) covering landings in the UK and is available through Her Majesty's Stationery Office. There have of late been delays in the production of this publication but more up-to-date figures are generally available on request from the Ministry's statistics unit. A similar publication relating to landings in Scotland is produced by the Department of Agriculture and Fisheries for Scotland.

(ii) Monthly figures on landings by species at the main ports in England and Wales are circulated widely to interested members of the industry. Again DAFS provide similar figures for landings in Scotland.

(iii) Press notices are issued from time to time by MAFF, DAFS and Department of Agriculture for Northern Ireland giving summarised landings figures.

(iv) The UK monthly catch reports to the European Commission in Brussels covering catches of all quota stocks by UK-registered vessels are published in *Fishing News*.

(v) Following requests from certain producer organisations, the Ministry is now providing PO management with details of landings into England and Wales of particular stocks by individual vessels in membership of the PO. In accordance with the GSS code of practice on data confidentiality, the provision of such data to PO management is with full agreement of each of the vessel skippers or owners involved.

Fishermen (Lowestoft)

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food (1) when he next plans to meet Lowestoft inshore fishermen to discuss total allowable catches for 1988-89 and related matters;

(2) when he next plans to meet Lowestoft inshore fishermen to discuss total allowable catches and related matters for 1990 to 1992;

(3) when he next plans to meet Lowestoft inshore fishermen to discuss total allowable catches and related matters for the post-1992 period.

Mr. Gummer *[holding answer 12 May 1988]:* I have no immediate plans to meet Lowestoft inshore fishermen. I am of course fully aware of their concerns and will continue to consult representative organisations as necessary as part of my Department's regular dialogue with the United Kingdom industry.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food if he will outline his plans to ensure the short-term survival and the long-term prosperity of the inshore fleet at Lowestoft.

Mr. Gummer *[holding answer 12 May 1988]:* I shall continue to pursue my policy of seeking to conserve fish stocks so that adequate supplies will be available for the future. The restrictive licensing scheme and the scheme of grants for vessel construction and modernisation ensure that the fleet is of a size appropriate to the available opportunities and that it is safe, modern and efficient.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food when he expects to be in a position to reply to the letter from the hon. Member for Waveney of 9 April about Lowestoft inshoremen.

Mr. Gummer *[holding answer 12 May 1988]:* I shall reply shortly.

Cod

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food if he has any plans to abandon the historic basis of total allowable catches for cod; and if he will introduce an allocation equal to boats of the same size regardless of port of registration.

Mr. Gummer *[holding answer 12 May 1988]:* I have no plans to abandon the historic basis of total allowable catches for cod, which is an important part of the Community's conservation policy. Fisheries departments already manage cod quotas in the non-sector according to vessel length band and without regard to port of registration.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food if he will give a table showing the current year cod quotas and the recorded catches in the year in which historic catches are based for each of the following ports: Lowestoft, Bridlington, Scarborough, Grimsby, Filey, Great Yarmouth, Harwich, Southwold, Aldeburgh, Felixstowe and West Mersea.

Mr. Gummer *[holding answer 12 May 1988]:* Cod quotas are not calculated for individual ports, but landings at the ports listed over the reference period 1982-86 are as follows:

	Tonnes (landed weight)
Lowestoft	12,897
Bridlington	15,372
Scarborough and Filey	15,700
Grimsby	66,094
Great Yarmouth and Winterdon	211
Harwich, Walton and Clacton	667
Southwold	340
Alburgh	444
Felixstowe	844
West Mersea	193

For confidentiality purposes, landing figures are not made available for those small ports where three or fewer owners are based, and instead are amalgamated with neighbouring ports. Consequently, the figures for Scarborough, Filey, Great Yarmouth and Harwich and only readily available as shown in the table. Similarly, since 1985, the figures for West Mersea including landings at Tollesbury, Maldon and Bradwell.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food what steps he takes to ensure that the cod quota allocated to (i) the port of Lowestoft and (ii) the port of Grimsby is *(a)* sufficient for their needs and *(b)* fair in relation to other English ports.

Mr. Gummer *[holding answer 12 May 1988]:* Fisheries Departments do not allocate quotas on an individual port basis.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on how the port of *(a)* Grimsby and *(b)* Lowestoft cod quota is decided, allocated and monitored; and what steps he has taken to ensure that it is a fair quota in relation to other ports.

Mr. Gummer *[holding answer 12 May 1988]:* Fisheries Departments do not allocate quotas on an individual port basis. However, sectoral quotas to producer organisations, some of whose economic area may include the ports of Grimsby and Lowestoft, are calculated in accordance with the methodology agreed with the industry as a whole.

Under the sectoral quota systems, it is for the producer organisations to monitor uptake of quota and to take whatever management action is necessary to keep within quota.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food what plans he has for allocating cod quotas in 1989 and subsequent years.

Mr. Gummer *[holding answer 12 May 1988]:* The arrangements for allocating sectoral quotas are drawn up each year, usually in the autumn, in full consultation with

the industry. A date has yet to be fixed in respect of the consultation exercise for 1989. The industry will also be consulted about non-sectoral quotas.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food what plans he has for amending the current cod quota for Lowestoft before the autumn.

Mr. Gummer *[holding answer 12 May 1988]:* Quotas are not allocated to individual ports. North sea cod is managed either through sectoral quotas, allocated to producer organisations or directly by the fisheries Departments in respect of non-sectoral fishermen.

The quota available for Lowestoft depends, in the case of the sectoral quota allocated to the Yorkshire and Anglia Fish Producer Organisation, on the number of vessels in membership, their track records, the degree of over-fishing in 1987 and the decision of the producer organisation on the proportion of its quota to be allocated to Lowestoft. There is no non-sectoral allocation to Lowestoft.

The only possibilities whereby the cod allocation to Lowestoft could be increased would be either through a quota swap with another member state or an increase in the North sea cod total allowable catch (TAC). Neither is likely to happen before the autumn and any TAC increase would need to be based on scientific information.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food what plans he has to deal with the surplus to quota cod thrown overboard at sea; how much cod is killed in this way in a year in the United Kingdom; and if he will make a statement.

Mr. Gummer *[holding answer 12 May 1988]:* Discards at sea arise both because of quota management measures and provisions concerned with technical conservation. It is not possible to quantify the level of cod discarded in the United Kingdom.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food why the allocation of North sea cod to the Yorkshire and Anglia Fish Producers Organisation was reduced from 9·4 per cent. of the United Kingdom total in 1985 to 6·8 per cent. of the United Kingdom total in the current year; and what are the parallel allocations to all other producer organisations in the same period.

Mr. Gummer *[holding answer 12 May 1988]:* Fluctuations in the level of sectoral quotas from year to year are due to a number of factors including changes in the vessels in membership of a producer organisation compared with previous years; changes in the vessels with incomplete track records compared with previous years and which therefore require "notional" allocations; the level of penalty for over-fishing; the level of compensation due to over-fishing by others; and, in 1988, the allowance which the industry, including YAFPO, agreed should be set aside for vessels of 10 m and under.

The methodology for calculating sectoral quotas is agreed each year in full consultation with the industry.

I am not able to list the allocations to all producer organisations because some of them wish their figures to be regarded as commercially confidential.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food whether he plans to meet representatives from the Yorkshire and Anglia Fish Producers' Organisation to discuss the current quota year in relation to cod.

Mr. Gummer *[holding answer 12 May 1988]:* I have no plans to do so at present.

Fishermen (Set-aside Scheme)

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food if he will introduce a set-aside scheme for inshore fishermen to pay them not to catch fish, similar to the proposed set-aside for farmers.

Mr. Gummer *[holding answer 12 May 1988]:* No.

Fishing Quotas

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the part quotas play in conserving measures; and if he has plans to allow quota shares to expand steadily.

Mr. Gummer *[holding answer 12 May 1988]:* Quotas and technical conservation measures taken together are vital elements of the common fisheries policy in ensuring conservation of fish stocks. Technical conservation measures are regularly reviewed in the light of the latest scientific advice: furthermore, a special EC Commission scientific working group is currently studying exploitation patterns in the North sea.

The United Kingdom has been in the forefront of efforts within the Community to ensure that quotas and technical conservation measures are properly enforced, leading to healthy and growing stocks of fish which in the long-term should be able to sustain higher yields, from which the United Kingdom fishing industry will benefit.

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food what representations he had from, and what advice his Department gave to, the Yorkshire and Anglia Fish Producers Organisation over quota management for 1988 at Lowestoft; what representations he has had since the year began; and what action he now proposes to take.

Mr. Gummer *[holding answer 12 May 1988]:* I have not received any representations from the Yorkshire and Anglia Fish Producers' Organisation specifically about quota management at Lowestoft, but I have received correspondence concerning sectoral quota allocations for the producer organisation as a whole. The producer organisation is responsible for the management of the sectoral quota at Lowestoft.

Written Answers to Questions

Monday 16 May 1988

WALES

Bristol Channel

Mr. Speller: To ask the Secretary of State for Wales how many discharges or deposits into the Bristol channel from south Wales sources are currently authorised in respect of raw sewage, sewage sludge, industrial, nuclear or other wastes.

Mr. Grist: The public register held by the Welsh water authority contains details of all authorised discharges including those to the waters of the Bristol channel.

In respect of the dumping of sewage sludge, the Welsh water authority holds one annual licence for dumping off the south Wales coast.

A total of 28 authorisations have been granted for the indirect discharge into the Bristol channel of low-level radioactive waste of which one relates to a licensed nuclear site.

Pembrey salt marsh

Mr. Ron Davies: To ask the Secretary of State for Wales when he proposes to announce his decision regarding the proposed development of Pembrey salt marsh; and if he will make a statement.

Mr. Grist: My right hon. Friend is considering information and views provided by Llanelli borough council, the Royal Society for the Protection of Birds, the Nature Conservancy Council and other interested people and organisations, following requests that he revoke a deemed planning permission for a road across Pembrey salt marsh. He will give his decision as quickly as possible.

TRADE AND INDUSTRY

Management Consultancies

Mr. Blair: To ask the Chancellor of the Duchy of Lancaster how many of his Department's assisted management consultancies for companies were established by 1 May in each region.

Mr. Atkins: From the launch of the consultancy initiatives on 13 January, to 29 April, 2,094 projects have been passed to independent scheme contractors for the appointment of consultants, as follows:

	Number
North East	152
North West	327
Yorkshire and Humberside	233
West Midlands	249
East Midlands	154
South West	191
South East:	
Cambridge area	89
Reading area	100
Reigate area	117
London area	315
Wales	60
Scotland	107

Departmental Advertising

Ms. Quin: To ask the Chancellor of the Duchy of Lancaster how much his Department spent on advertising in each year since 1979 and up to the latest date for which figures are available.

Mr. Butcher: Expenditure by the Department of Trade and Industry between 1979 and the end of March 1988 is as follows:

	£ million
1979-80	0·25
1980-81	0·54
1981-82	0·83
1982-83	2·14
1983-84	1·39
1984-85	2·11
1985-86	1·22
1986-87	1·00
1987-88	[1]7·90

[1] (Estimated).

Telephone Exchange for the Deaf

Mr. Cran: To ask the Chancellor of the Duchy of Lancaster what plans he has to assist the Royal National Institute for the Deaf, over and above sums guaranteed under the concerned technology scheme, with the funding needed to operate and develop the telephone exchange for the deaf on a long-term basis.

Mr. Butcher: My Department is contributing £70,000, over the two years starting 1 March 1988, towards the cost of the Royal National Institute for the Deaf's telephone exchange for the deaf. There are no plans at present to offer further funds.

Swiss Companies

Mr. Shersby: To ask the Chancellor of the Duchy of Lancaster what information he has as to the number of *(a)* successful and *(b)* contested bids by British companies for Swiss or Swiss-based companies in each of the last five years; and if he will publish the names of the companies concerned.

Mr. Kenneth Clarke: United Kingdom companies are not required to register overseas acquisitions of companies. From press reports, however, my Department has identified the following cases of United Kingdom companies acquiring Swiss companies:

	Acquiring Company	*Swiss Company acquired*
1983	APV Holdings	Gelruder Ott AG
1984	Bowater	Roba AG
	Croda International	Kolmar Cosmetics
1985	None	
1986	None	

	Acquiring Company	Swiss Company acquired
1987	John Crowther	Wollimex AG
	Queen's Moat Houses	Hotel Admiral
1988	Blue Circle	Romag AG

There may well have been other acquisitions in addition to those listed. There is no available information on whether any of these acquisitions was contested or whether there were other bids which were contested and failed.

Single European Market

Mr. Tom Clarke: To ask the Chancellor of the Duchy of Lancaster if he will give the sums paid for radio, newspaper and magazine advertising by Her Majesty's Government on the current campaign to increase United Kingdom awareness of the 1992 single European market.

Mr. Alan Clark: The estimated costs of, radio and newspaper advertising in support of the first stages of the single European market publicity campaign are about £56,000 and £620,000 respectively. No paid advertising in magazines is involved.

Asia and Africa

Mr. Tom Clarke: To ask the Chancellor of the Duchy of Lancaster if he will publish a table in the *Official Report* showing the percentage annual change in the terms of trade between the United Kingdom and *(a)* low-income Asian countries and *(b)* low-income African countries for each year 1973 to 1987.

Mr. Alan Clark: I regret that the information is not available.

Companies (Share Registers)

Mr. Lofthouse: To ask the Chancellor of the Duchy of Lancaster how many United Kingdom companies include in their articles of association a provision whereby the company board can refuse to register an entry in the share register.

Mr. Kenneth Clarke *[holding answer 13 May 1988]:* This information is not available. It is for companies themselves to decide whether to adopt standard articles or alternatively to draw up their own. The standard articles are prescribed by regulation and for the majority of companies these are known as "Table A". Prior to 1981, table A included such a provision for private companies. The current table A does not. Whatever articles are adoped they can be examined by looking at the record of the individual company maintained by the Registrar of Companies, which is available for public inspection in Cardiff or London.

British Steel Corporation

Mr. Michael: To ask the Chancellor of the Duchy of Lancaster what sites have been disposed of by the British Steel Corporation in each of the last five years; what number of acres in each region have been disposed of *(a)* as a result of direction by a Government Minister and *(b)* without such a direction; and what proportion of such disposals went to (i) development corporations, (ii) BSC (Industry) Ltd., (iii) local enterprise agencies, (iv) local authorities, (v) other public bodies, or (vi) private bodies or companies.

Mr. Atkins *[holding answer 29 April 1988]:* The main sites sold by BSC over the last five years are as follows:

1983-84
611 acres, Shotton
Part of Normanby Park Works, Scunthorpe
110 acres, Dudley Works

1984-85
39·5 acres Butchersfield, Warrington
Bilston Works

1985-86
Stockholding Warehouse, Hounslow

1986-87
Monks Hall Works, Warrington

1987-88
378 acres, Normanby Park Works, Scunthorpe
London Works, Tipton
150 acres, Irlam
Mill Buildings and site (21 acres), Jarrow

No sites have been sold as a result of the direction by a Government Minister. It is not possible to identify the proportions of disposals to the various bodies mentioned because BSC does not record the purchasers in this specific manner. All disposals are made on the same basis of arm's length transactions at open market value.

Mr. Michael: To ask the Chancellor of the Duchy of Lancaster if he will list those sites which are in the ownership of the British Steel Corporation but are *(a)* no longer in operational use or *(b)* projected to be surplus to operational requirements during the next five years; and if he will give an estimate of the acreage of such sites by region.

Mr. Atkins *[holding answer 29 April 1988]:* Properties which are identified by the corporation as being surplus to operational requirements are offered for sale at open market value. BSC does not make projections of sites likely to become surplus to requirements: this is obviously dependent on operational and strategic decisions.

The sites at present on the market include:
775 acres agricultural land Twywell Estate Northants
Remaining Steelworks buildings, Corby
36 acres industrial land, Holwell
19 acres industrial land, Kettering
Warehouse, Swinton
Two farms, near Llanwern
Quarry, Scunthorpe
23 acres industrial land, Rotherham
6·5 acres industrial land, Bassaleg

ENERGY

Energy Consumption

Mr. Matthew Taylor: To ask the Secretary of State for Energy what the ratio of gross domestic product to energy consumption had been in the United Kingdom for the period 1973 to 1988; and what are the projections for 1990, 1995 and the year 2000.

Mr. Parkinson: The information requested is published as the energy ratio in the *Digest of United Kingdom Energy Statistics*. The data for 1987 are currently in preparation. For the period 1973 to 1986 the published figures are as follows:

Tonnes of coal equivalent per £1,000 GDP[1]

	Tonnes
1973	1·9
1974	1·8
1975	1·8
1976	1·8
1977	1·8
1978	1·7
1979	1·7
1980	1·6
1981	1·6
1982	1·6
1983	1·5
1984	1·5
1985	1·5
1986	1·5

[1] Total inland consumption of primary energy (temperature corrected). GDP (average estimate) at 1980 factor cost.

My Department has not published projections of future energy consumption since 1982.

Mr. Matthew Taylor: To ask the Secretary of State for Energy what is the annual (i) petrol, (ii) diesel, (iii) gas and (iv) electrical consumption in million tonnes of coal equivalent for the transport sector for the period 1973 to 1988; and what are the projected consumption levels for the period 1989 to 2000.

Mr. Parkinson: Consumption of petrol and diesel in the transport sector for 1973 to 1987 was as follows:

Million tonnes coal equivalent

	1973	*1974*	*1975*	*1976*	*1977*	*1978*	*1979*	*1980*
Petrol	30·1	29·3	28·7	30·0	30·9	32·7	33·3	34·1
Diesel[1]	12·7	12·6	12·6	13·0	13·2	13·4	13·8	13·3

[1] Includes gas oil/diesel use by railways and road and water transport, but excludes aviation fuels and gas oil used in the agriculture sector.

	1981	*1982*	*1983*	*1984*	*1985*	*1986*	*1987*
Petrol	33·3	34·3	34·8	36·0	36·3	38·2	39·7
Diesel[1]	12·5	12·8	13·7	14·7	15·3	16·4	17·3

[1] Includes gas oil/diesel use by railways and road and water transport, but excludes aviation fuels and gas oil used in the agriculture sector.

Consumption of electricity and liquefied petroleum gas in transport was very small, approximately 0·4 million tonnes coal equivalent and less than 0·05 million tonnes coal equivalent respectively in each of the years shown.

Projections of future fuel consumption levels are subject to considerable uncertainty. My Department does not normally publish energy forecasts. However, it did make available some conditional projections, including ones for transport, for the years 1990 and 2000 as part of the proof of evidence to the Sizewell B public inquiry, ref. DEN/P/1.

Electrical Appliances (Labelling)

Mr. Matthew Taylor: To ask the Secretary of State for Energy whether any proposals for the energy labelling of electrical appliances have been considered by Her Majesty's Government since 1979; what decisions were taken on such proposals; and what is the current policy of Her Majesty's Government on this issue.

Mr. Peter Morrison: I refer the hon. Member to the answer I gave to my hon. Friend the Member for Erewash (Mr. Rost) on 29 February 1988, at column *480*. Energy labelling is a voluntary matter for the discretion of manufacturers and retailers, but I welcome its adoption and my energy efficiency office is always ready to advise those seeking its introduction or extension.

International Energy Agencies

Mr. Matthew Taylor: To ask the Secretary of State for Energy what have been the Government's contributions to (i) Euratom, (ii) the Overseas Economic Co-operation and Development Nuclear Energy Agency, (iii) the International Energy Agency and (iv) the International Atomic Energy Agency, since 1979.

Mr. Michael Spicer: Details of the Government's subscriptions to the OECD Nuclear Energy Agency (NEA), to the International Energy Agency (IEA) and to the International Atomic Energy Authority (IAEA), since 1979 are as follows:

£000

	NEA	*IEA*	*IAEA*
1979-80	122	280	1,557
1980-81	118	294	2,079
1981-82	136	313	2,639
1982-83	146	398	2,609
1983-84	198	407	2,814
1984-85	205	454	3,531
1985-86	216	453	3,797
1986-87	230	513	4,099
1987-88	270	524	[1]4,527

[1] Provisional.

Source: Appropriation Accounts.

The Government's contribution to Euratom is not separately identifiable as it forms part of the United Kingdom's general contribution to the European Communities budget.

Nuclear Technology

Mr. Cohen: To ask the Secretary of State for Energy if he will list all Government approvals for the overseas transfer of nuclear technology, reprocessing and waste management *(a)* since the formation of British Nuclear Technology in June 1987 and *(b)* prior to June 1987; what assurances the Government have sought and obtained in

each case that the information is only for use for peaceful purposes; whether there have been any refusals of permission; and if he will make a statement.

Mr. Michael Spicer: I refer the hon. Member to the reply given by my right hon. Friend the Prime Minister on 27 October 1987, at column *217*. Details of individual contracts are commercially confidential.

Offshore Installations (Standby Vessels)

Mr. David Porter: To ask the Secretary of State for Energy what representations he has received from oil companies, the standby industry and others about amending the code of practice contained in the document assessment of the suitability of standby vessels attending offshore installations; and if he will make a statement.

Mr. Peter Morrison: Amendment of this guidance document is a matter for my right hon. Friend the Secretary of State for Transport. Because of my Department's interest in the requirement for standby vessels for offshore installations, we have received some representations on this subject. Where appropriate these have been passed to the Department of Transport.

Pressurised Water Reactors

Mr. Matthew Taylor: To ask the Secretary of State for Energy how the capital construction costs for possible new pressurised water reactors at Hinkley C, Wylfa B and Sizewell C have been calculated; and what assumptions have been used.

Mr. Michael Spicer: This is a matter for the Central Electricity Generating Board and I have asked the chairman to write to the hon. Member.

Energy Prices

Mr. Matthew Taylor: To ask the Secretary of State for Energy if he will give the latest costings in 1988 prices, in pence per kilowatt hour, for electricity produced by *(a)* coal and *(b)* nuclear power stations; and if he will make a statement.

Mr. Michael Spicer: The latest costings in pence per kilowatt hour of electricity from coal or nuclear power stations is a matter for the Central Electricity Generating Board and I have asked the chairman to write to the hon. Member.

FOREIGN AND COMMONWEALTH AFFAIRS

INF Treaty

Mr. Michael McNair-Wilson: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the implications for introduction of verification procedures in the United Kingdom of the United States Senate's decision to postpone its consideration of ratification of the intermediate nuclear forces treaty.

Mr. Mellor: None of the INF treaty's verification provisions, including on-site inspections on United Kingdom territory, will take effect until the treaty comes into force. That is dependent on the exchange of instruments of ratification by the US and the Soviet Union.

Nihat Kaymaz

Mr. Hannam: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he is making to the Turkish Government in order to secure the release of Nihat Kaymaz.

Mrs. Chalker: We have drawn the Turkish Government's attention to the public concern in this country about this case.

Micro-organisms

Mr. Allan Roberts: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to press for an international ban on all military research leading to the testing or release of genetically engineered micro-organisms to the environment.

Mr. Mellor: The 1972 biological weapons convention prohibits the development or production of microbial, other biological agents and toxins, of types and in quantities that have no justification for prophylactic, protective or other peaceful purposes. The implications for this convention of various technological developments, including genetic engineering of micro-organisms, are considered regularly at review conferences. The next such conference will take place not later than 1991.

Non-oil Developing Countries

Mr. Tom Clarke: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish a table in the *Official Report* showing, as a total for all non-oil developing countries, and the 1974 to 1987 cumulative totals in constant 1987 pounds sterling of non-oil developing countries *(a)* current account deficits, *(b)* increases in official reserves, *(c)* non-debt creating flows to these countries, net, *(d)* net long-term capital from official sources and *(e)* borrowing from private markets.

Mrs. Chalker: Information is not available in the exact form requested. The following table, which has been obtained from International Monetary Fund sources, shows data for all non-oil developing countries on external financing flows between 1974 and 1987, measured in current dollars. Particular attention is drawn to the explantions in the footnotes to the table.

Non-oil developing countries: External financing 1974-1987

US$ billion

Non-oil developing countries	*1974*	*1975*	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*	*1987*
Deficit on goods, services and private transfers[1]	37·1	45·3	34·6	31·0	41·9	61·6	85·9	111·9	90·5	55·8	40·0	45·2	30·8	11·9
Non-debt creating flows, net	15·2	12·6	12·8	13·3	17·3	22·9	23·2	26·7	25·5	22·8	22·8	30·4	29·5	30·6
Official transfers	8·9	7·7	7·6	8·5	8·4	11·5	12·5	13·5	13·1	14·0	14·1	17·1	17·7	18·4
Direct investment flows, net	5·6	5·4	5·3	6·0	7·2	9·2	9·0	12·8	10·8	8·2	9·6	9·6	8·9	11·0
SDR allocations, valuation adjustments, and gold monetisation	0·7	−0·5	−0·1	0·8	1·7	2·2	1·7	0·4	−0·4	0·6	−0·8	3·8	2·9	1·3

Non-oil developing countries	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Use of reserves	−3·0	−1·0	−13·8	−13·0	−19·6	−15·2	−12·2	−6·8	4·5	−11·4	−17·4	−10·1	−29·3	−41·8
Asset transactions, net[2]	−2·9	−2·4	−5·3	−5·6	−4·8	−7·6	−6·4	−11·0	−7·1	−5·5	−8·8	−8·5	−9·0	−6·9
Recorded errors and omission[3]	−4·5	−7·7	−6·8	−5·7	−8·4	−1·5	−10·8	−15·7	−20·3	−15·3	−7·6	−5·9	3·0	2·7
Net external borrowing	32·4	43·8	47·6	40·1	58·3	63·1	92·1	118·8	89·9	65·2	51·0	39·2	36·5	27·1
Reserve related liabilities	1·9	2·7	5·2	4·0	2·7	0·2	2·9	12·6	22·2	14·2	9·3	2·1	8·0	−4·6
Liabilities constituting foreign authorities' reserves[4]	0·1	0·4	1·7	2·0	1·4	−0·8	1·6	0·7	3·4	−3·7	−0·4	0·4	1·7	0·1
Net credit from IMF[5]	1·5	2·1	3·2	0·1	0·5	0·9	2·8	6·5	6·9	10·9	4·9	0·3	−2·7	−6·7
Arrears	0·3	0·2	0·3	1·9	0·7	—	−1·5	5·4	11·9	7·0	4·7	1·3	9·0	2·1
Long-term borrowing from official creditors, net[6]	5·1	11·8	12·5	13·0	15·0	28·4	23·6	30·0	30·5	27·6	26·3	24·0	26·2	29·5
Other net external borrowing[7]	22·3	29·3	30·0	23·0	39·6	34·5	65·7	76·2	37·2	23·4	15·4	13·1	2·2	2·2

Source: IMF 'World Economic Outlook April 1988' (Table A43) and IMF Staff.

Note: Except where otherwise footnoted, estimates shown here are based on national balance of payments statistics, which are not always easily reconcilable with year-to-year changes in either debtor-or creditor-reported debt statistics, in part because the latter are affected by changes in valuation. The figures for earlier years are not as reliable as those from 1980; there may be breaks in individual series and in some cases, data may have been estimated.

[1] Equivalent to currrent account deficit less official transfers. For purposes of this table, official transfers are treated as external financing.

[2] Pertains primarily to export credit.

[3] Positioned here on the presumption that estimates reflect primarily unrecorded capital outflows.

[4] Comprises short-term borrowing by monetary authorities from other monetary authorities.

[5] Includes use of Fund credit under General Resources Account, Trust Fund, Structural Adjustment Facility and Enhanced Structural Adjustment Facility.

[6] Estimates of net disbursements by official creditors (other than monetary authorities) derived from debt statistics. Official net disbursements include the increase in official claims caused by the transfer of officially guaranteed claims to the guarantor agency in the creditor country, usually in the context of debt reschedulings.

[7] Residually calculated. Except for discrepancies in coverage, amounts shown reflect mainly net external borrowing from private creditors and short-term flows.

Kampuchea

Mr. Tom Clarke: To ask the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to pay an official visit to Kampuchea to view conditions in that country; and if he will make a statement.

Mr. Mellor: No. We have no dealings with the regime of Phnom Penh.

ATTORNEY-GENERAL

Court Interpretation Services

55. **Mr. Ieuan Wyn Jones:** To ask the Attorney-General whether the Lord Chancellor has any plans to review the Welsh/English interpretation services of the courts in Wales; and if he will make a statement.

The Attorney-General: The Welsh/English interpretation services comprise simultaneous translation facilities at selected Crown courts and a panel of some 20 interpreters selected and trained under the supervision of a Welsh circuit judge. The system works well and requirements are kept under review.

Social Security Commissioner, Cardiff

59. **Mr. Wigley:** To ask the Attorney-General (1) whether, in the light of the recent changes in the social security regime, he will review the case for a resident social security commissioner in Cardiff; and if he will make a statement;

(2) what recent representations he has received concerning the decision to close the office of the social security commissioner in Cardiff.

The Attorney-General: My noble and learned Friend the Lord Chancellor has received a number of representations from Members of Parliament, Peers and members of the public about the closure of the Cardiff office of the social security commissioners and is keeping the matter under review. He is, however, satisfied that neither the current case load nor the recent changes in legislation affecting social security are likely to require changes to the present arrangements for hearings in Cardiff of appeals to the commissioners.

Prosecution Policy (Insulting Behaviour)

60. **Mr. Barry Field:** To ask the Attorney-General what is the policy of the Crown Prosecution Service towards prosecuting in cases of alleged insulting behaviour.

The Attorney-General: When considering all cases, including allegations of insulting behaviour, the Crown Prosecution Service applies the principles set out in the code for Crown prosecutors. If the hon. Gentleman is concerned as to the application of these principles in a particular case I shall endeavour to assist him if he will write to me.

Legal Profession (Intake)

63. **Mr. Anderson:** To ask the Attorney-General what assessment he has made of the implications for his policy towards promoting a balanced social intake into the legal profession of the current level of grant support from local education authorities to postgraduate law students taking professional courses; and if he will make a statement.

The Attorney-General: Promoting a balanced social intake into the legal profession primarily is a matter for the profession itself. The current level of grant support to postgraduate students is under discussion between the profession and the Department of Education and Science.

"Spycatcher"

64. **Mr. Cryer:** To ask the Attorney-General what administrative costs he estimates are likely to be incurred in 1988 in the suppression of the book "Spycatcher".

The Attorney-General: To seek to quantify costs of this nature would involve disproportionate expense. Future costs cannot usefully be estimated.

Irish Attorney-General

Sir John Biggs-Davison: To ask the Attorney-General what consultations he has had with the Attorney-General of the Irish Republic within the Anglo-Irish Intergovernmental Conference or otherwise; and if he will make a statement.

The Attorney-General: I have had consultations with the Attorney-General for the Republic of Ireland on four occasions since taking office.

We have discussed matters of concern to our respective responsibilities, and principally the basis upon which extradition from the Republic of Ireland to the United Kingdom of suspected offenders can be undertaken in the light of changes at first proposed and now effected in the Republic's legislation. These consultations have resulted in a clear mutual understanding of matters that respectively concern us, and we confidently hope that in all proper cases extradition will now take place, in conformity with the new Irish legislation.

PRIME MINISTER

Central London (Prime Minister's Visits)

Mr. Dobson: To ask the Prime Minister when she last informed the Members representing any of the central London constituencies of her intention to visit their constituency.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave him on 11 May 1988, at column *121*.

Sewage and Waste Disposal

Mr. Speller: To ask the Prime Minister, pursuant to her answer of 12 May, if she will list all the Departments which have responsibility or which exercise powers, either individually or in co-operation with other Departments, in relation to the dumping of sewage and other wastes; and if she will specify in the case of each responsibility or power the Department or Departments which exercise it.

The Prime Minister: The dumping of sewage and other wastes at sea is controlled by licensing under the Food and Environment Protection Act 1985. The Departments responsible for operating the relevant provisions of the Act are the Ministry of Agriculture, Fisheries and Food, the Department of Agriculture and Fisheries for Scotland, the Welsh Office and the Department of the Environment for Northern Ireland.

Control of the discharge of trade effluent from land to the sea is the responsibility of water authorities. The control of discharges of sewage including effluent from sewage treatment plants operated by water authorities are the responsibility of the Department of the Environment, which is also responsible, together with the Ministry of Agriculture, Fisheries and Food, for authorising the control of radioactive discharges to water. The Department of the Environment also has the responsibility for co-ordinating Government policy on the control of pollution generally, including the marine environment. In Scotland and Wales the Scottish Office and Welsh Office have similar responsibilities to the Department of the Environment in respect of environmental protection.

OVERSEAS DEVELOPMENT

Mozambique

70. **Mr. Tony Lloyd:** To ask the Secretary of State for Foreign and Commonwealth Affairs if any additional measures are planned to assist the safe passage of British aid in Mozambique.

Mr. Chris Patten: I keep this matter under frequent review, with other aid donors and the Mozambique Government.

Kampuchea

71. **Mr. Matthew Taylor:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he last met a representative of the Phnom Penh Government to discuss the provisions of development assistance for Kampuchea.

Mr. Chris Patten: Neither my right hon. and learned Friend nor I have ever met a representative of the Heng Samrin regime.

Food (Radioactivity)

72. **Ms. Ruddock:** To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer to the hon. Member for Lewisham, Deptford of 14 March, *Official Report*, columns *426-7*, if, in the light of recent statements made by the Danish Foreign Minister, he will review his answer on levels of radioactivity in EEC food aid consignments.

Mr. Chris Patten: The written reply to a Danish Member of Parliament made by Denmark's Foreign Minister on 8 April on radioactivity levels in EC food aid consignments is entirely consistent with the reply I gave to the hon. Lady on 14 March, as clarified by my subsequent letter of 29 March.

EC/ACP Council of Ministers

73. **Mr. Burns:** To ask the Secretary of State for Foreign and Commonwealth Affairs whether Her Majesty's Government were represented at the EC/ACP Council of Ministers in Mauritius; and if he will make a statement.

Mr. Chris Patten: I represented Her Majesty's Government at the annual ACP/EC Council of Ministers meeting which this year was held in Mauritius on 10-11 May. The meeting reviewed the whole range of co-operation between the African, Caribbean and Pacific (ACP) states and the European Community within the framework of the Lomé convention. There was also an opportunity for informal discussions with ACP and EC colleagues on the prospects for the negotiations for a successor to the present Lomé convention, which will start in the autumn.

Official Aid

74. **Ms. Armstrong:** To ask the Secretary of State for Foreign and Commonwealth Affairs what proportion of gross national product was provided as official development assistance in 1987; and if he will make a statement about Her Majesty's Government's policy on progress towards attaining the United Nations 0·7 per cent. of gross national product target in 1988-89.

Mr. Chris Patten: We do not yet have the figure for 1987.

As to the attainment of the 0·7 per cent. United Nations target, I can only say that, like previous Administrations, the Government are not able to set a date for achieving this. But, as the House will know, the aid programme is now growing in real terms and its quality is high.

Ethiopia

75. **Mr. Maclennan:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current progress of aid to Ethiopia.

Mr. Chris Patten: We have committed over £45 million for famine relief in Ethiopia through bilateral and European Community channels since the beginning of 1987. Emergency aid operations in northern Ethiopia have been severely disrupted by the recent escalation of civil war and the Ethiopian Government's decision that expatriate relief workers should leave Eritrea and Tigré. In other parts of Ethiopia relief operations are proceeding reasonably satisfactorily, although the state of Sudanese refugees in western Ethiopia is a matter of grave concern.

In addition to emergency aid, we are providing technical co-operation, training and assistance with famine rehabilitation including a £1·2 million well rehabilitation project in Welo region.

Afghan Refugees

76. **Dr. Twinn:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has for providing further assistance to Afghan refugees.

Mr. Chris Patten: Following signature of the Geneva agreements last month, I have announced a doubling of our annual programme of support for Afghan refugees to £10 million in the current financial year. These funds will support the work of British voluntary agencies and multilateral organisations such as the United Nations High Commissioner for Refugees and the International Committee of the Red Cross. This assistance will be conditional on properly co-ordinated international arrangements for the resettlement of Afghan refugees being put in place.

South Africa

Miss Lestor: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the extent to which and the ways in which the provisions of the Promotion of Orderly Internal Politics Bill now going through the South African Parliament would affect the funding of activities in South Africa through the British aid programme in respect of both bilateral and multilateral aid; and if he will make a statement.

Mr. Chris Patten: The full implications of the Bill are not yet clear, but we would deplore legislation which sought to restrict the flow of aid funds from abroad. We have already made our views clear to the South African Government both bilaterally and through representations made jointly with our European partners. We will go on doing all we can to ensure that aid for black South Africans continues.

HOME DEPARTMENT

Driving Licence Suspensions

77. **Miss Widdecombe:** To ask the Secretary of State for the Home Department how many driving licences were suspended for alcohol-related and for other offences in 1987.

Mr. John Patten: The information available relates to the number of disqualifications from driving by broad offence group, and is published in table 16 of Home Office statistical bulletin issue 36/87, "Offences Relating To Motor Vehicles, England and Wales 1986", copies of which are in the Library. In 1986, about 96,000 offences of driving, and so on, after consuming alcohol or taking drugs were so dealt with. There were about 162,000 disqualifications for all motoring offences, including disqualifications imposed under the "totting-up" rule. Figures for 1987 will be published later this year.

Glue Sniffing

Mr. Hardy: To ask the Secretary of State for the Home Department if he has any plans to seek to change the powers of the police to deal with the problem of glue sniffing.

Mr. Douglas Hogg: No. The police have adequate powers to deal with those found supplying intoxicating substances in contravention of the Intoxicating Substances (Supply) Act 1985. They have also been given guidance about the options open to them in dealing with glue sniffers in Home Office circular No. 30/84, a copy of which is in the library.

Litter

Mr. Amess: To ask the Secretary of State for the Home Department how many convictions there have been for offences involving the dropping of litter in the past year.

Mr. John Patten: I refer my hon. Friend to the reply given to my hon. Friend the Member for Newbury (Mr. McNair-Wilson) on 21 April, at column 966. Information for 1987 will be published in the autumn in "Criminal Statistics, Supplementary Tables Vol. 1".

Animals (Experiments)

Mr. Beggs: To ask the Secretary of State for the Home Department if he plans to further limit experimentation on animals which is not directly necessary in the interest of human or animal health.

Mr. Douglas Hogg: We have no plans to seek amendment of the Animals (Scientific Procedures) Act 1986, section 5(3) of which lays down the purposes for which the use of animals in experimental and other scientific procedures may be authorised.

Prisoners (Clothing)

Ms. Harman: To ask the Secretary of State for the Home Department how many changes of clothes prisoners are allowed per week at each of the following prisons; Birmingham, Leeds, Pentonville, Manchester, Wandsworth, Wormwood Scrubs and Holloway.

Mr. Douglas Hogg: Convicted male inmates at these establishments are provided with at least one complete

change of shirt, socks and underwear each week with other clothing being changed as necessary. Inmates employed in locations such as the kitchen and officers' mess or on maintenance work have more frequent changes of clothes. Unconvicted men may arrange their own supply of clean clothing, but otherwise are provided with clean kit on the same basis as covicted inmates.

The female inmates at Holloway, whether convicted or unconvicted, wear their own clothing and do their own laundry. They are normally allowed to have three sets of clothes at any one time.

Prisoners (Baths)

Ms. Harman: To ask the Secretary of State for the Home Department how many baths, showers and lavatories there are for prisoners' use; and how many baths or showers prisoners are allowed per week at each of the following prisons; Birmingham, Leeds, Pentonville, Manchester, Wandsworth, Wormwood Scrubs and Holloway.

Mr. Douglas Hogg: All inmates have a bath or shower on reception and thereafter at least once a week. In addition, those participating in PE, located in hospital units or working in particular parties (kitchen, officers' mess, works department, and so on) will bathe or shower more often. At Holloway, there is normally no restriction on the frequency with which the inmates may bathe or shower.

The following table sets out the other information requested:

Establishment	*Baths*	*Showers*	*WCs/urinals*
Birmingham	39	71	320
Leeds	6	42	[1]175
Pentonville	7	69	312
Manchester	10	72	193
Wandsworth	14	65	[2]366
Wormwood Scrubs[3]	39	129	122
Holloway	37	19	508

[1] 12 additional WCs are being provided as part of a redevelopment project.
[2] Eight cells are being converted to integral sanitation.
[3] Excluding A wing, which is temporarily closed.

Independent Broadcasting Authority

Mr. Battle: To ask the Secretary of State for the Home Department if he intends to reappoint the present chairman of the Independent Broadcasting Authority when his term of office comes to an end.

Mr. Renton: Lord Thomson has informed my right hon. Friend that he wishes to retire when his appointment as chairman of the IBA comes to an end at the end of this year. We hope to announce a successor in the autumn.

Marine Theft

Mr. Barry Field: To ask the Secretary of State for the Home Department what are the latest available statistics on marine theft, particularly from pleasure craft.

Mr. John Patten: The information that is collected centrally does not enable thefts from boats to be distinguished from other thefts.

Temgesics

Mr. David Marshall: To ask the Secretary of State for the Home Department what plans he has to include Temgesics in a classification under the Misuse of Drugs Act; and if he will make a statement.

Mr. Douglas Hogg: We have no immediate plans to bring Temgesic within the controls of the Misuse of Drugs Act 1971, but we shall be keeping it under review in consultation with the Advisory Council on the Misuse of Drugs.

Eviction

Mr. Soley: To ask the Secretary of State for the Home Department if he will provide the latest statistical information for *(a)* England and *(b)* Wales concerning (i) the number of prosecutions under the Protection from Eviction Act 1977 for harassment and unlawful eviction and (ii) the number of successful prosecutions.

Mr. John Patten: The information available to me, which may be incomplete, is given in the following table:

Defendants proceeded against for offences under the Protection from Eviction Act 1977
England and Wales 1986
Number of defendants

Section of the Act	*Offence description*	*Area*	*Total proceeded against*	*Total found guilty*
1(2)	Unlawful eviction	England	70	49
		Wales	10	5
1(3)	Unlawful harassment	England	26	10
		Wales	—	—

Racial Attacks

Mr. Corbyn: To ask the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis on the number of personal attacks per year since 1979 defined as racially motivated, the number of related prosecutions and the number of resulting convictions; and if he will make a statement.

Mr. Douglas Hogg: I understand from the Commissioner of Police of the Metropolis that the information is not available in the precise form requested, and that no relevant information is available prior to 1983. The available information is set out in the following table:

Number of "racial incidents"[1] reported to the Metropolitan police: number of racial incidents in which arrests were made; and number of racial incidents "cleared up"

	1983	*1984*	*1985*	*1986*	*1987*
Serious assaults	n/a	322	350	220	270
Minor assaults	n/a	189	243	282	397
All racial incidents[2]	1,276	1,515	1,945	1,733	2,179
Racial incidents in which arrests made[3]	n/a	197	286	217	279
Racial incidents "cleared up"[4]	n/a	n/a	n/a	n/a	672

[1] A "racial incident" is defined by the Metropolitan police as "any incident in which it appears to the reporting or investigating officer that the complaint involves an element of racial motivation, or any incident which includes an allegation of racial motivation made by any person".
[2] The figures given include the following types of incident; serious assaults; minor assaults; arson; criminal damage; leafletting; abusive etc. behaviour; and slogan writing.
[3] Figures are not available on the number of persons arrested.
[4] A "clear up" occurs when both the offender and victim are known to the police and appropriate action (including arrest, summons, caution or other measure) is taken.

I know that the Commissioner shares my concern about the continuing incidence of racially motivated attacks and harassment. Effective action to combat such attacks is part of the Commissioner's force goal for 1988 (as it has been since 1985). In pursuit of this a number of special initiatives have been or are being taken.

Force instructions have been issued which provide mandatory requirements in respect of recording, investigating and monitoring practices. Initiatives also include anti-racial harassment campaigns (published in five Asian languages) and promoting multi-agency initiatives such as, racial harassment panels, helplines, community seminars and crime prevention advice. A special squad has been established in Newham and Tower Hamlets collating, evaluating and disseminating intelligence about racial incidents with a view to identifying patterns and arresting offenders.

I welcome these initiatives, which I believe demonstrate the commitment of the Metropolitan police to tackling these shameful crimes.

Kerb Crawling

Ms. Mowlam: To ask the Secretary of State for the Home Department if he will provide figures for 1985 to the most recent date for which information is available for *(a)* the number of arrests for kerb crawling under the Sexual Offences Act 1985 in the metropolitan area as recorded in Metropolitan police figures and *(b)* the number of prosecutions for kerb crawling under the Sexual Offences Act 1985 in the metropolitan area, as recorded in Metropolitan police figures.

Mr. Douglas Hogg: The information available to me, which may be incomplete, shows no prosecutions in 1985 and four in 1986 in the Metropolitan police district under section 1 of the Sexual Offences Act 1985. There is no power of arrest under the Act.

Passport Office (Staff)

Mrs. Ray Michie: To ask the Secrtary of State for the Home Department if he will consider increasing the staff at the passport office in Glasgow.

Mr. Renton: Additional permanent and casual staff are being recruited to deal with the current high level of demand for passport services. There are now 124 staff in post as compared with 83 at the start of the year. The complement will be further increased progressively from October 1988 after the Glasgow office has been computerised and begins to handle postal applications from London.

Citizenship

Mr. Madden: To ask the Secretary of State for the Home Department, pursuant to his reply of 9 May, *Official Report*, column 11, how many of the applications for registration, received after 31 December 1987, have been (a) accepted for consideration and (b) refused; and how many applicants (i) have been informed or (ii) have still to be informed.

Mr. Renton: I cannot add to the answer to which the hon. Gentleman refers.

Neighbourhood Watch Schemes

Mr. Thurnham: To ask the Secretary of State for the Home Department what methods are used to monitor the effectiveness of neighbourhood watch schemes; and if he will make a statement.

Mr. John Patten: The Home Office both undertakes and commissions research in this area. Indicators used to monitor effectiveness include local crime figures which, in some police force areas can now be produced for individual neighbourhood watch scheme areas; surveys including questions on fear of crime; information on the level of local involvement, and assessments of the resource implications for the police.

Immigration (Detainees)

Mr. Madden: To ask the Secretary of State for the Home Department what was (a) the total number detained and (b) the average occupancy in (i) Harmondsworth detention centre, (ii) the Harmondsworth annex, (iii) Queen's building, (iv) the Beehive, Gatwick, (v) Latchmere house and (vi) the MV Earl William for each month from April 1987 to the nearest available date.

Mr. Renton *[holding answer 3 April 1988]:* The available information is as follows:

Total number of persons newly detained at each location during the week shown

Week ending	(i) Harmondsworth detention centre	(ii) Annex	(iii) Queen's building	(iv) Beehive Gatwick	(v) Latchmere House	(vi) "Earl William"
4 April 1987	26	30	61	63	—	—
11 April 1987	25	30	69	50	—	—
18 April 1987	26	26	91	59	—	—
25 April 1987	44	28	68	24	—	—
2 May 1987	59	30	86	48	—	—
9 May 1987	48	15	70	48	—	—
16 May 1987	46	40	89	76	—	—
23 May 1987	40	26	76	32	—	—
30 May 1987	51	40	84	55	—	—
6 June 1987	55	26	91	51	—	—
13 June 1987	61	40	58	62	—	—
20 June 1987	59	14	89	60	—	—
27 June 1987	52	25	66	53	—	—
4 July 1987	91	22	91	59	—	—
11 July 1987	81	24	83	66	—	—
18 July 1987	68	13	115	78	—	—
25 July 1987	70	16	104	63	—	—
1 August 1987	73	17	115	75	—	—
8 August 1987	37	23	111	68	—	—
15 August 1987	78	35	107	69	—	—
22 August 1987	74	49	97	53	—	—
29 August 1987	102	38	102	76	—	—
5 September 1987	67	27	90	47	—	—
12 September 1987	94	39	124	76	—	—
19 September 1987	67	15	100	55	—	—
26 September 1987	79	20	116	59	—	—
3 October 1987	70	27	133	59	—	—
10 October 1987	88	29	100	61	—	—
17 October 1987	91	22	182	76	—	—
24 October 1987	63	27	107	58	—	—
31 October 1987	98	33	84	54	—	—
7 November 1987	80	36	101	54	—	—
14 November 1987	82	30	111	71	—	—
21 November 1987	64	18	94	62	—	—
28 November 1987	74	22	98	49	—	—
5 December 1987	96	37	102	66	—	—
12 December 1987	73	24	85	73	—	—
19 December 1987	107	20	103	52	—	—
26 December 1987	94	50	134	62	—	—
2 January 1988	101	29	128	55	—	—
9 January 1988	80	18	93	46	—	—
16 January 1988	61	24	82	46	—	—
23 January 1988	83	34	32	68	—	—
30 January 1988	93	29	—	51	—	—
6 February 1988	89	15	—	66	—	—
13 February 1988	82	26	—	82	—	—
20 February 1988	82	17	—	64	—	—
27 February 1988	84	10	—	68	—	—
5 March 1988	89	26	—	75	—	—
12 March 1988	102	45	—	47	—	—
19 March 1988	99	27	—	61	—	—
26 March 1988	78	27	—	69	—	—
2 April 1988	77	29	—	67	—	—
TOTALS	3,853	1,439	4,122	3,190	607	198

Notes:

(i) Some persons may have been detained at two locations within the same week.

(ii) Weekly figures for Latchmere House and the "Earl William" are not available: the totals for those locations are for the year ended 31 March 1988.

(iii) The "Earl William" was used as a place of detention from 22 May to 16 October 1987.

(iv) The Queen's Building detention accommodation was closed for refurbishment on 19 January 1988.

Average occupancy figures

Week ending	(i) Harmondsworth detention centre	(ii) Annex	(iii) Queen's Building	(iv) Beehive Gatwick	(v) Latchmere House	(vi) "Earl William"
4 April 1987	63	17	11	12	97	—
11 April 1987	61	28	12	13	97	—
18 April 1987	48·5	29·5	12	13	96	—
25 April 1987	60	26·5	11	8	97	—
2 May 1987	57·4	26·7	11	11	97	—

Week ending	(i) Harmondsworth detention centre	(ii) Annex	(iii) Queen's Building	(iv) Beehive Gatwick	(v) Latchmere House	(vi) "Earl William"
9 May 1987	63	29	12	8	97	—
16 May 1987	63	29	11·5	14	97	—
23 May 1987	66	26	9·5	7	96	15
30 May 1987	56·5	24	9	7	53	48
6 June 1987	64	29	11·5	7	92	53
13 June 1987	58	28	10	8	52	66
20 June 1987	61	28	10	7·5	95	75
27 June 1987	58·8	28·5	10	8	96	90
4 July 1987	55	29	10	10	95	96
11 July 1987	58	29	10	11	91	94
18 July 1987	62	29	12	12	94	90
25 July 1987	58	29	10	10	90	97
1 August 1987	59	24	12	8	90	96
8 August 1987	58	22	11	13	91	90
15 August 1987	53	25·5	13	11	95	83
22 August 1987	54	22	12	10	93	76
29 August 1987	55	28	11·5	11	90	72
5 September 1987	62	28	10	11	98	64
12 September 1987	58	28	10	9·5	92	69
19 September 1987	49·8	28	12	9	93	66
26 September 1987	55	28	10	9	91	65
3 October 1987	57	27	8	10	61	66
10 October 1987	50	27	10	9	94	74
17 October 1987	62	29·5	12	11	92	72
24 October 1987	57·5	26	8	9	88	—
31 October 1987	58	29	11	8	90	—
7 November 1987	61	28·5	12	11·5	93	—
14 November 1987	55	28·5	11	9	97	—
21 November 1987	61·5	30	12	12	96	—
28 November 1987	63	29·5	11	13	98	—
5 December 1987	61	29	11	12	95	—
12 December 1987	60	29	11	14	94	—
19 December 1987	59	24	11	10	96	—
26 December 1987	62	27	11	10·5	95·5	—
2 January 1988	62	27	11	10·5	95·5	—
9 January 1988	61	26	10·5	8	96	—
16 January 1988	57	23	10	6·7	97	—
23 January 1988	59·5	28·1	10·5	9·7	97	—
30 January 1988	62	29	—	8·4	97	—
6 February 1988	60	29	—	10	95	—
13 February 1988	62	29	—	14	97	—
20 February 1988	62	29	—	8	98	—
27 February 1988	61	30	—	10	98	—
5 March 1988	61	29	—	12	93	—
12 March 1988	57·4	28·7	—	7·9	98	—
19 March 1988	60·7	27·8	—	10·4	97	—
26 March 1988	57·8	29·4	—	11	98	—
2 April 1988	65	29·2	—	11	98	—

EDUCATION AND SCIENCE

Vandalism

Mr. Butler: To ask the Secretary of State for Education and Science what information he has on the cost of vandalism in schools *(a)* in England and *(b)* in Cheshire in the latest available year.

Mr. Dunn: The cost of vandalism in schools in English local education authorities was estimated in total to be between £25 million and £30 million in 1985-86. I understand that the maintenance cost falling on the Cheshire authority due to vandalism was £531,000 in 1987-88.

Education Reform

Mr. Pawsey: To ask the Secretary of State for Education and Science (1) when the national curriculum will be introduced into secondary schools;

(2) when the first 14-year-old will be assessed.

Mrs. Rumbold: The implementation of the national curriculum depends on the passage of the Education Reform Bill now before Parliament and the making of subsequent statutory orders. However, my right hon. Friend is considering introducing attainment targets, programmes of study and related assessment arrangements for mathematics and science from September 1989 for pupils entering the third key stage of 12 to 14, with the first reports on results of assessments made publicly available for pupils starting the third key stage in 1990. On that basis the first reported assessment of 14-year-old pupils would be in summer 1993.

Mr. Pawsey: To ask the Secretary of State for Education and Science when the syllabuses for the core and foundation subjects will be produced.

Mrs. Rumbold: The national curriculum will not prescribe syllabuses for core and other foundation subjects. As now, it will be for schools to choose their own syllabuses. However, my right hon. Friend expects to initiate the statutory consultations required by the

Education Reform Bill, if passed, this autumn in respect of programmes of study for mathematics, science and, for primary pupils, English and technology, with a view to orders being made early in 1989.

Mr. Pawsey: To ask the Secretary of State for Education and Science what estimate he has made of the impact of assessment on independent schools.

Mrs. Rumbold: No such estimate has been made, since independent schools will not be required to adopt the national curriculum and its assessment arrangements.

Maintenance Awards

Mr. Andrew F. Bennett: To ask the Secretary of State for Education and Science what would be the cost, for 1988-89, of discounting parents' rental payments, in respect of the family home, in the same manner as mortgage payments, in assessing parental income for the purpose of calculating student grant awards and parental contributions to student financial maintenance.

Mr. Jackson: This information is not available.

16 and 17-year-olds

Mr. Andrew F. Bennett: To ask the Secretary of State for Education and Science how many pupils, and what percentage, remained in full-time education after 16 and 17 years of age in each local authority in 1978-79 and the latest date available and the total for England.

Mr. Dunn: The latest available data are as follows. Information for 1978-79 is not available.

Numbers and percentages of students aged 16 and 17 in education in each local education authority in England.

Academic year 1986-87

Schools and further education establishments	*Full-time/ sandwich Numbers Aged 16*	*Participation Per cent. Aged 16*	*Full-time/ sandwich Numbers Aged 17*	*Participation Per cent. Aged 17*
Barking	549	28	348	17
Barnet	2,168	67	1,608	48
Bexley	1,476	48	956	29
Brent	1,715	65	1,195	43
Bromley	1,918	56	1,212	34
Croydon	1,874	49	1,292	31
Ealing	1,727	58	1,245	40
Enfield	1,795	53	1,213	34
Harringey	1,142	56	772	34
Harrow	1,572	75	1,141	52
Havering	1,466	42	948	25
Hillingdon	1,294	44	840	29
Hounslow	1,495	59	878	33
Kingston upon Thames	878	62	613	40
Merton	1,006	54	692	35
Newham	1,370	47	865	29
Redbridge	1,349	51	956	34
Richmond upon Thames	779	58	623	46
Sutton	1,216	59	743	35
Waltham Forest	1,237	46	770	27
ILEA	11,706	51	7,734	31
Birmingham	7,119	47	4,678	30
Coventry	1,833	40	1,297	27
Dudley	1,920	40	1,404	30
Sandwell	1,661	35	1,133	22
Solihull	1,686	50	1,296	36
Walsall	1,766	38	1,264	27
Wolverhampton	1,590	39	1,079	27
Knowsley	908	33	572	20
Liverpool	2,920	40	1,906	25
St. Helens	1,177	38	932	30
Sefton	2,337	52	1,682	39
Wirral	2,163	46	1,660	33
Bolton	1,622	40	1,260	30
Bury	1,208	50	951	37
Manchester	2,458	41	1,924	30
Oldham	1,044	30	782	22
Rochdale	1,180	36	829	26
Salford	1,233	36	947	26
Stockport	1,859	46	1,459	34
Tameside	1,342	41	881	26
Trafford	1,211	42	1,010	34
Wigan	2,251	43	1,824	33
Barnsley	1,265	35	860	23
Doncaster	1,511	34	1,064	24
Rotherham	1,644	39	1,171	27
Sheffield	3,160	40	2,224	27
Bradford	2,621	38	1,600	24
Calderdale	1,231	43	809	27
Kirklees	2,742	47	1,845	32

Schools and further education establishments	Full-time/ sandwich Numbers Aged 16	Participation Per cent. Aged 16	Full-time/ sandwich Numbers Aged 17	Participation Per cent. Aged 17
Leeds	4,204	41	2,699	26
Wakefield	1,809	36	1,163	23
Gateshead	893	32	574	20
Newcastle upon Tyne	1,245	37	902	26
North Tyneside	1,157	45	846	31
South Tyneside	741	33	593	24
Sunderland	1,530	33	997	21
Avon	5,360	45	3,660	30
Bedfordshire	3,467	48	2,349	32
Berkshire	5,150	54	3,449	35
Buckinghamshire	4,313	53	3,256	39
Cambridge	3,828	48	2,635	32
Cheshire	6,593	47	5,018	35
Cleveland	3,647	41	2,642	29
Cornwall	3,312	54	2,254	36
Cumbria	2,842	41	1,997	27
Derbyshire	5,888	44	4,143	30
Devon	5,846	47	4,301	33
Dorset	3,629	46	2,486	31
Durham	3,409	39	2,394	26
East Sussex	3,988	55	2,711	36
Essex	9,074	43	5,940	28
Gloucestershire	3,235	46	2,294	31
Hampshire	10,348	52	7,156	35
Hereford/Worcester	4,410	50	3,215	35
Hertfordshire	7,406	54	4,888	34
Humberside	4,677	35	3,430	24
Isle of Wight	849	52	532	34
Kent	10,493	50	7,019	32
Lancashire	8,000	40	6,243	31
Leicestershire	5,574	45	4,144	32
Lincolnshire	3,437	44	2,666	32
Norfolk	4,255	43	2,703	27
North Yorkshire	4,841	52	3,645	38
Northampton	3,519	44	2,353	28
Northumberland	1,720	41	1,230	29
Nottinghamshire	5,509	37	4,222	27
Oxfordshire	3,704	53	2,459	34
Salop	2,765	47	2,000	33
Somerset	2,632	46	1,864	32
Staffordshire	6,333	41	4,589	29
Suffolk	3,147	38	2,204	26
Surrey	6,915	63	4,881	42
Warwickshire	3,419	51	2,733	38
West Sussex	4,424	53	2,958	34
Wiltshire	3,688	51	2,449	33
Total	293,619	46	205,873	31

City Technology Colleges

Ms. Ruddock: To ask the Secretary of State for Education and Science what discussions he has had, and with whom, regarding the coversion of Haberdashers' Aske's school to a city technology college in Lewisham.

Mrs. Rumbold: I have met representatives of the Haberdashers' Company on two occasions to listen to their views on a range of educational topics. In the course of these discussions they touched on their interest in the city technology colleges programme. Since then my officials have given technical advice to representatives of the governing body of the Haberdashers' Aske's schools about the steps which would be necessary to establish a city technology college in the schools' premises.

Ms. Ruddock: To ask the Secretary of State for Education and Science which local businesses have expressed an interest in the establishment of a city technology college in Lewisham.

Mrs. Rumbold: No local businesses have yet approached the Department about such a possibility.

Ms. Ruddock: To ask the Secretary of State for Education and Science what is the projected capital and revenue expenditure for the conversion of the Haberdashers' Aske's school in Lewisham to a city technology college; how much of this cost will be met by the Government; and if he will make a statement.

Mrs. Rumbold: No proposal has yet been made to us by the prospective sponsors of a city technology college to be established in the premises of Haberdashers' Aske's school. The details of what such a proposal might cost are not therefore known.

Ms. Ruddock: To ask the Secretary of State for Education and Science if he will make a statement on his policy regarding the conversion of already existing schools to city technology colleges.

Mrs. Rumbold: We shall give careful consideration to any proposal made to establish a city technology college which has support in industry and commerce and in the local community.

Under-fives

Mr. Cran: To ask the Secretary of State for Education and Science whether he has yet received a final report from Professor Margaret Clark on her evaluation of research into the education of under-fives.

Mr. Dunn: Yes. Professor Clark's report is, I understand, due to be published today and I shall arrange for copies to be placed in the Libraries of both Houses. It is an important report, with implications for a major sector of education and I hope it will command wide attention. The views expressed in it are of course solely those of Professor Clark. My Department will be sponsoring a seminar to discuss its findings and to promote their dissemination.

EMPLOYMENT

Age Discrimination

Mr. Cran: To ask the Secretary of State for Employment how many representations his Department has received from individuals who feel that they have been discriminated against on the basis of age when applying for jobs.

Mr. Lee: I regret that the information requested is not available.

Mines and Quarries Inspectorate

Mr. Cryer: To ask the Secretary of State for Employment if he will publish a table showing, for each year since 1979, for mines and quarries, the number of *(a)* deaths, *(b)* serious injuries, *(c)* improvement and prohibition notices issued and *(d)* prosecutions undertaken by the Mines and Quarries Inspectorate.

Mr. Nicholls *[holding answer 13 May 1988]:* The information requested is as follows:

Year	Number of accidents reported		Notices issued		
	Fatal	Serious	Improvement	Prohibition	Prosecutions
1979	60	589	0	2	2
1980	63	588	2	4	3
1981	51	943	0	5	0
1982	57	988	1	5	1
1983	37	943	1	4	0
1984-85[1]	39	522	2	4	2
1985-86[2]	51	894	3	3	0
1986-87	32	1,173	2	8	1
1987-88[3]	23	931	5	30	0

Note: Accident figures include coal mines, licensed mines, mines other than coal and quarries.
[1] Includes a 15-month period for mines.
[2] Includes a 15-month period for quarries.
[3] Provisional.

Open Tech

Ms. Mowlam: To ask the Secretary of State for Employment if he will make a statement on the principal achievements of the Open Tech project since its inception: what is the current operating status of the project, and if he will give the following details of the activities of Open Tech to date: *(a)* the total cost to the Government, *(b)* the total contribution by (i) employers, (ii) local authorities and (iii) other organisations towards the costs; and *(c)* the number of students and trainees enrolled per year broken down by region, employer, local authority, other organisation, employment status, gender whether disabled, racial origin, and subject studied.

Mr. Cope *[pursuant to his reply, 12 January 1988, c. 219]:* The report of the Tavistock Institute on the Open Tech programme has been placed in the Library.

THE ARTS

Arts Council

Mr. Fisher: To ask the Minister for the Arts what the total grant from the Arts Council to the 12 English regional arts associations is for 1988-89; and what percentage increase this represents over 1987-88.

Mr. Luce *[pursuant to his reply, 12 April 1988, c. 57]:* I regret that an error was made in the increase of 3 per cent. in the allocation of moneys from the Arts Council to individual RAAs. The percentage increase will be in the order of 4·7 per cent.

AGRICULTURE, FISHERIES AND FOOD

Bovine Somatotropin

Mr. Corbyn: To ask the Minister of Agriculture, Fisheries and Food what information he has as to how many calves have been born as a result of the use of bovine somatotropin; what controls he has over the future use of such animals; and if he will make a statement.

Mr. Donald Thompson: No calves have been born as a result of the use of bovine somatotropin.

Mr. Corbyn: To ask the Minister of Agriculture, Fisheries and Food how many representations, and from whom, he has received concerning the use of bovine somatotropin; and if he will publish them.

Mr. Donald Thompson: I have received a considerable number of letters from individuals and organisations representing consumers, producers and distributors. It would not be appropriate to publish such individual representations.

Mr. Corbyn: To ask the Minister of Agriculture, Fisheries and Food how many licences for the use of bovine somatotropin in the United Kingdom have been issued by him.

Mr. Donald Thompson: Three ATCs have been issued to permit trials in a maximum of 1,130 cows. No product licences have been issued.

Apples

Mr. Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food what is the current tonnage of apples in intervention in the European Economic Community; and what were the comparable totals in each of the last three years.

Mr. Donald Thompson: The latest provisional figure available from the European Commission for the amount of apples withdrawn from the market under the Community's intervention arrangements for the 1987-88 season so far is 536,167 tonnes. In each of the previous years, the totals were as follows:

	Tonnes
1984-85	660,902
1985-86	184,553
1986-87	354,089

Mr. Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food what was the total amount of apples destroyed in the most recent annual period for which figures are available for the European Economic Community as a whole; and what was the total cost of such destruction.

Mr. Donald Thompson: The total amount of apples withdrawn from the market under the Community's intervention arrangements in 1986-87, the most recent year for which complete figures are available, was 354,089 tonnes. Of this, 105,023 tonnes found no outlets and were assumed to be spoilt or wasted. The amount of compensation paid to growers in respect of the latter tonnage was 12·5 million ecu.

Bristol Channel

Mr. Speller: To ask the Minister of Agriculture, Fisheries and Food if he is satisfied with the water quality in the Bristol channel, particularly as regards its effect upon fish stocks, swimming and beach pollution; if he has received any reports of injury or illness to fishermen as a result of water-borne pollution; and if he will make a statement.

Mr. Gummer: Fish stocks in the Bristol channel show no adverse effects caused by the quality of water. This is unsurprising as disposals of waste licensed by the Ministry are carefully controlled to protect fish and to avoid any pollution of beaches. I understand that the Ministry has received no reports from the area of injury or illness to fishermen as a result of water-borne pollution.

Fishing Industry

Mr. David Porter: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the future size of *(a)* the Lowestoft and *(b)* the English inshore fishing fleet; and if he will make a statement on the role of the Lowestoft fleet in the United Kingdom fishery.

Mr. Gummer *[holding answer 12 May 1988]:* The Government are concerned to encourage an efficient United Kingdom fishing fleet with a catching capacity which bears a reasonable relationship to the available fishing opportunities. Within that overall objective, it is essentially for market forces to determine the relative size of different sectors of the United Kingdom fleet.

NATIONAL FINANCE

London Allowance

Mr. Cran: To ask the Chancellor of the Exchequer what has been the cost to the Exchequer of paying a London allowance to those lawyers, accountants and inspectors of taxes employed in, or seconded by, Government Departments over the last five years for which figures are available.

Mr. Brooke: The estimated cost to the Exchequer was £1·25 million in financial year 1987-88. Only inspectors of taxes received a London allowance as distinct from London weighting in 1986-87, at an estimated cost of £0·25 million. No London allowances were paid before April 1986.

These figures exclude the knock-on effects on ERNIC, pensions and superannuation.

Inner London Secretarial Allowance

Mr. Cran: To ask the Chancellor of the Exchequer what has been the cost to the Exchequer of paying the inner London secretarial allowance to those in receipt of such allowance over the last five years for which figures are available.

Mr. Brooke: The inner London secretarial allowance was introduced with effect from 1 April 1985. Its estimated cost to the Exchequer is as follows:

	Cost of inner London secretarial allowance £ million
1985-86	1·2
1986-87	2·1
1987-88	2·1

Excluding the knock-on effects on ERNIC, superannuation and pensions.

Privatisation

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will give the amount of debt outstanding on the balance sheets of each of the companies privatised since 1979 and the amount of this debt repaid prior to privatisation; and if he will specify out of which departmental expenditure programme the money for repayment was drawn.

Mr. Norman Lamont *[holding answer 13 May 1988]:* I refer the hon. Member to the annual reports and accounts of the companies in question for details of their balance sheets, and—to the extent that departmental expenditure was involved—to the relevant departmental Votes.

Take-home Pay

Mr. Tim Smith: To ask the Chancellor of the Exchequer by how much, in real terms, he estimates take-home pay for *(a)* a single person, *(b)* a married man with no children and *(c)* a married man with two children to have increased for those on (i) half average earnings, (ii) three quarters average earnings, (iii) average earnings, (iv) one and a half times average earnings, and (v) twice average earnings, between 1978-79 and 1988-89; and what are the comparable figures between 1973-74 and 1978-79.

Mr. Norman Lamont *[holding answer 11 May 1988]:* The figures are in the table.

Percentage change in real take-home pay

Multiples of male average earnings	½	¾	*1*	*1½*	*2*
Single					
1973-74 to 1978-79	−1·0	−2·2	−2·8	−3·6	−4·1
1978-79 to 1988-89	+25·8	+29·1	+31·0	+34·1	+32·9
Married with one earner and no children					
1973-74 to 1978-79	+2·4	+0·4	−0·9	−2·2	−2·4
1978-79 to 1988-89	+23·3	+27·1	+29·3	+32·8	+32·8
Married with one earner and 2 children aged under 11					
1973-74 to 1978-79	+4·2	+2·0	+0·6	−1·2	−1·4
1978-79 to 1988-89	+21·5	+25·1	+27·5	+31·3	+31·5

Note:
The taxpayer is assumed not to be contracted out of SERPS, and to claim no allowances or reliefs other than the basic personal allowance (and child tax allowance where appropriate).

NORTHERN IRELAND

Kincora Boys Home

Mr. Livingstone: To ask the Secretary of State for Northern Ireland, pursuant to his answer to the hon. Member for Brent, East of 28 March, *Official Report*, column *312*, what information was available to his Department concerning investigations undertaken by the Sussex police relating to allegations of homosexuality, prior to Sir George Terry's appointment to investigate the events at Kincora boys home.

Mr. Tom King *[holding answer 26 April 1988]:* I am not aware of any such investigation.

ENVIRONMENT

Copehill Down (Training Village)

Mr. Cohen: To ask the Secretary of State for the Environment how many representations he has received calling for a public inquiry into the proposed construction of a training village at Copehill Down in Wiltshire.

Mr. Waldegrave: My right hon. Friend received 13 representations, all of them before January 1987.

Garden Festival (Stoke-on-Trent)

Mr. Heddle: To ask the Secretary of State for the Environment if he will institute an appraisal of the benefits derived from the garden festival at Stoke-on-Trent.

Mr. Trippier: Consultants were commissioned in December 1987 to evaluate the national garden festivals at Liverpool, Stoke-on-Trent and Glasgow. The benefits derived from these events are one of the elements of the evaluation.

Urban Development Corporations

Mr. Leighton: To ask the Secretary of State for the Environment if he will publish the memoranda setting out the terms and conditions on which payments of grant-in-aid to urban development corporations are made.

Mr. Trippier: I am placing a copy of the current version of the memorandum in the Library.

City Grant

Mr. Cran: To ask the Secretary of State for the Environment how many responses he received to his consultation paper on city grant; how many firms attended seminars organised by his Department to discuss the scheme; and what changes were made to the scheme prior to its inception on 2 May in the light of such discussions.

Mr. Trippier: A total of 119 written responses to the consultation document were received by 26 April. A short summary of these has been placed in the Library of the House.

Five seminars on city grant were attended by about 900 representatives from private sector firms and other organisations. The majority of respondents and those attending seminars welcomed the proposal to introduce city grant and most favoured the lower threshold of £200,000 project value.

City grant was introduced on 3 May for projects with an estimated value of £200,000 or more.

Waste Disposal

Mr. Cran: To ask the Secretary of State for the Environment if he will introduce regulations requiring notification to all waste disposal authorities by importers of non-special waste of all such waste passing through their jurisdiction.

Mr. Moynihan: There are no plans at present to introduce controls on imports of non-special waste into the United Kingdom, but we are currently considering the extent to which such measures may become necessary or desirable.

Radiation

Mr. Cran: To ask the Secretary of State for the Environment to what extent the exposure to radiation dose limits for the public takes into account the greater exposure risks among younger age groups.

Mr. Moynihan: When radiation dose limits are applied to the public, account is taken of the potentially greater exposure that those in younger age groups receive because of size, diet and habits. The National Radiological Protection Board, an independent expert body, advises the Government on recommended radiation limits in this country.

Caithness and Sutherland (Peatlands)

Ms. Quin: To ask the Secretary of State for the Environment whether he will reproduce in the *Official Report* the resolutions passed by the International Union

for Conservation of Nature and Natural Resources at the Costa Rica conference on the subject of the peatlands of Caithness and Sutherland.

Mr. Moynihan: The text of the resolution adopted by the General Assembly of the International Union for Nature and Natural Resources in Costa Rica on the subject of the peatlands of Caithness and Sutherland is as follows:

17.62 *International importance of Scottish Peatlands, United Kingdom*

AWARE of the international importance of the peatlands of Caithness and Sutherland, and in particular the peatlands of the flow country of northern Scotland, as an important part of an area identified in the World Conservation Strategy as a priority biogeographic province for the establishment of protected areas;

AWARE that blanket bog is an extremely rare global habitat type, restricted to a few areas where cool oceanic conditions prevail;

AWARE that the blanket bogs of Caithness and Sutherland, Scotland, form the largest remaining example of this habitat type in the world;

INFORMED that "The Conservation and Development Programme for the United Kingdom; A Response to the World Conservation Strategy" states that the results of upland bird surveys show that "forestry operations should be planned with great care";

NOTING that peatland ecologies from nine countries at a conference of the International Mire Conservation Group (held in September 1986) expressed their dismay at the extent to which afforestation was found to be destroying this internationally important habitat, and viewed the speed of destruction with particular alarm;

NOTING the reports produced by the Nature Conservancy Council, the United Kingdom Government's own advisers on nature conservation, the Royal Society for the Protection of Birds, and the Scottish Wildlife Trust, documenting the loss of these blanket bogs to commercial forestry;

RECALLING the commitment of all Parties to the Ramsar Convention including the United Kingdom to promote wise use of wetlands and in particular wetlands of international importance;

AWARE of the United Kingdom Government's recent decision to protect a very substantial area of the Caithness and Sutherland peatlands, but at the same time to allow new afforestation of about 40,000 ha.

The General Assembly of IUCN, at its 17th Session in San Jose, Costa Rica, 1-10 February 1988:

1. Congratulates the Government of the United Kingdom on its recognition that much of Caithness and Sutherland is of national and international importance for conservation and that a very substantial area (amounting to approximately half of the presently unafforested area of peatlands in these counties) is to be safeguarded.

2. Calls on the Government of the United Kingdom to exercise extreme caution in the authorisation of any further planting proposals within the Caithness and Sutherland peatlands until it is clear where such plantings may take place without detriment to nature conservation.

3. Calls on the Government of the United Kingdom to ensure that the 40,000 ha of land that it is envisaged may be afforested falls outside important areas for nature conservation within the Caithness and Sutherland peatlands.

4. Calls on the Government of the United Kingdom to support, in areas not protected or afforested, farming practices that are compatible with conservation interests.

5. Calls on the Government of the United Kingdom to designate appropriate areas within the Caithness and Sutherland peatlands as a Ramsar site or sites and to consider nominating them for listing under the World Heritage Convention.

Landlords (Unlawful Behaviour)

Mr. Soley: To ask the Secretary of State for the Environment whether he will list the local authorities in *(a)* England and *(b)* Wales which have a tenancy relations officer whose duty it is to investigate complaints of the unlawful behaviour of landlords which contravenes the Protection From Eviction Act 1977.

Mrs. Roe: The information is not available.

Ramsar Sites

Mr. Allan Roberts: To ask the Secretary of State for the Environment if he will give the Ramsar sites listed in the United Kingdom, their area where known and date of listing; and if he will give the number and area of Ramsar sites which have been listed by other signatories to the Ramsar convention.

Mr. Moynihan: The sites in the United Kingdom, listed under the Ramsar convention are:

United Kingdom sites listed as wetlands of international importance under the Ramsar Convention

Name	*County/Region*	*Date Designated*	*Area (ha)*
Bridgwater Bay	Somerset	5 January 1976	2,703
Bure Marshes	Norfolk	5 January 1976	412
Cors Fochno and Dyfi	Dyfed, Gwynedd and Powys	5 January 1976	2,497
Hickling Broad and Horsey Mere	Norfolk	5 January 1976	892
Lindisfarne	Northumberland	5 January 1976	3,123
Loch Druidibeg, Loch a'Machair and Loch Stilligary	Western Isles	5 January 1976	1,780
Loch Leven	Tayside	5 January 1976	1,597
Loch Lomond	Strathclyde and Central	5 January 1976	253
Lough Neagh and Lough Beg	Antrim, Londonderry, Tyrone, Armagh and Down	5 January 1976	39,500
Minsmore—Walberswick	Suffolk	5 January 1976	1,697
North Norfolk Coast	Norfolk	5 January 1976	5,559
Ouse Washes	Cambridgeshire and Norfolk	5 January 1976	2,276
Rannoch Moor	Tayside	5 January 1976	1,499
Abberton Reservoir	Essex	24 July 1981	1,228
Cairngorm Loch	Grampian and Highland	24 July 1981	179
Claish Moss	Highland	24 July 1981	563
Loch Lintrathen	Tayside	24 July 1981	218
Rostherne Mere	Cheshire	24 July 1981	79
Silver Flowe	Dumfries ad Galloway	24 July 1981	608
Chesil Beach and the Fleet	Dorset	17 July 1985	763

Name	*County/Region*	*Date Designated*	*Area (ha)*
The Dee Estuary	Merseyside, Cheshire and Clwyd	17 July 1985	13,055
Derwent Ings	North Yorkshire and Humberside	17 July 1985	783
Holborn Moss	Northumberland	17 July 1985	22
Irthinghead Mires	Cumbria and Northumberland	17 July 1985	608
The Swale	Kent	17 July 1985	5,835
Alt Estuary	Merseyside	28 November 1985	1,160
Leighton Moss	Lancashire	28 November 1985	124
Martin Mere	Lancashire	28 November 1985	119
Loch Eye	Highland	23 September 1986	195
Loch Skene	Grampian	23 September 1986	125
Rockliffe Marshes (Part of Upper Solway Flats and Marshes)	Cumbria	23 September 1986	1,897
Chichester and Langstone Harbours	Hampshire/West Sussex	28 October 1987	5,764
Upper Severn Estuary	Gloucestershire	5 February 1988	1,357
The Wash	Lincolnshire/Norfolk	30 March 1988	63,124
Pagham Harbour	West Sussex	30 March 1988	615

As at 19 April 1988, a total of 366 sites, covering some 29,703,635 hectares had been listed by the 47 other contracting parties to the convention.

Mr. Allan Roberts: To ask the Secretary of State for the Environment how many staff in his Department are working on the listing and designation of Ramsar sites and special protection areas as at 1 April; and what are the comparable figures for the years 1984 and 1986.

Mr. Moynihan: Lead responsibility for the consideration of proposals from the NCC for the classification of Ramsar sites and special protection areas in England and Wales rests with a branch of the Department's wildlife division. This branch currently comprises four staff, as compared with five in 1984 and 1986. In dealing with Ramsar and SPA proposals, they consult extensively with officials in this and other Departments and in accordance with the voluntary approach to which we are committed, with other relevant interests. They are engaged also on a wide range of other activities concerned with habitat conservation. Responsibility for classification of Ramsar sites and SPAs elsewhere in the United Kingdom rests with the Secretaries of State for Scotland and Northern Ireland as appropriate.

Genetically Engineered Micro-organisms

Mr. Allan Roberts: To ask the Secretary of State for the Environment if he will consider restricting approval of release of genetically engineered micro-organisms to products which have a clear benefit to human health or the environment.

Mr. Moynihan: Only a few proposals for planned release have been received so far. These have been on a small scale and have been aimed at gaining knowledge on several aspects of the new technology. Releases have only taken place after a full independent assessment of their safety to man and to the environment. The Government will review the position on restricting planned releases in the light of accumulated experience, and of the advice of the Royal Commission on environmental pollution, which is expected by early next year.

Mr. Allan Roberts: To ask the Secretary of State for the Environment what methods are available for detecting and tracking genetically engineered micro-organisms which are produced without marker genes.

Mr. Moynihan: Genetically engineered micro-organisms can be detected and tracked in the environment by a variety of methods besides marker genes. Examples of other methods include gene probes, antibodies and enzyme abundance assays.

Mr. Allan Roberts: To ask the Secretary of State for the Environment if he will consider prohibiting the environmental release of genetically engineered micro-organisms which are marked with antibiotic resistance factors.

Mr. Moynihan: Each proposal for the release of a genetically manipulated micro-organism is examined individually by appropriate expert advisory bodies. Any use of antibiotic resistance markers is one of the aspects which are specifically considered. Although the use of other types of markers is generally recommended, antibiotic resistance factors have been used, but only those which already occur in nature.

Caravan Sites Act

Mr. Corbyn: To ask the Secretary of State for the Environment which London boroughs have *(a)* fulfilled the requirement of the Caravan Sites Act, *(b)* been granted a waiver from those requirements under his authority and *(c)* received his Department's grants in respect of each site; and which schemes are still being considered by him.

Mrs. Roe: The London borough councils have a duty under section 6 of the Caravan Sites Act to provide sites for gipsies residing in or resorting to their area. At 1 January 1988 the following London boroughs had provided sites for gipsies:

Barking and Dagenham
Bexley
Bromley
Croydon
Ealing
Enfield
Greenwich
Hammersmith and Fulham (jointly with Kensington and Chelsea)
Haringey
Harrow
Havering
Hillingdon
Hounslow
Kensington and Chelsea (jointly with Hammersmith and Fulham)
Kingston-upon-Thames

Lambeth
Lewisham
Merton
Newham
Redbridge
Richmond-upon-Thames
Southwark
Sutton
Tower Hamlets
Waltham Forest
Wandsworth

The Secretary of State has no powers to exempt authorities from their duty to provide sites. The power to do so originally contained in the Caravan Sites Act 1968 was repealed by the Local Government, Planning and Land Act 1980.

I will write to the hon. Member about Exchequer grant for gipsy site schemes.

Seismic Monitoring

Mr. Teddy Taylor: To ask the Secretary of State for the Environment what percentage area of the United Kingdom is subject to regular seismic monitoring; if the south-east of England is so covered; and what information he has from the European Economic Community about the comparable practice in France.

Mr. Trippier: The whole of the United Kingdom is subject to continuous seismic monitoring, but monitoring stations are unevenly distributed. The sizes of events that can be detected and the quality of data from which the locations of events can be calculated vary as a result of that uneveness. The monitoring capacity is least well developed in south-east England and Northern Ireland. No information has been obtained by the Secretary of State from the European Economic Community on current practices in France.

Mr. Teddy Taylor: To ask the Secretary of State for the Environment what requests he has had from the British Geological Survey to finance seismic monitoring programmes; and if he will make a statement.

Mr. Trippier: The BGS has requested contributions from my Department to the funding of its seismic monitoring programme several times in the last 10 years. As a result, a significant extension to the monitoring network was established in the midlands area and the current monitoring capacity has been maintained. My Department is currently discussing with BGS and other interests an improved network.

Earthquakes

Mr. Teddy Taylor: To ask the Secretary of State for the Environment what information his Department has on historical evidence of earthquakes in the south-east of England; and what information has been collected about geological structures in the area which are associated with earthquakes.

Mr. Trippier: My Department has access to scientific and technical publications which contain records of historical earthquakes and information on geological structures in south-east England. It also receives reports on current seismic events detected by monitoring equipment operated by the British Geological Survey. Whilst documents referring to earthquakes are fairly numerous and over a period of over 1,000 years it is likely that only the largest events were recorded before modern monitoring arrangements commenced, the amount of information on each event is limited. The relationship between individual seismic events and specific geological structures is poorly known and information on deep geological structures in the south-east is fairly limited.

Housing Co-operatives

Mr. George Howarth: To ask the Secretary of State for the Environment if housing association grant is payable to a housing co-operative in receipt of mortgage income tax relief under the mortgage income tax relief scheme; and if he will make a statement.

Mr. Waldegrave: The arrangements under which housing association grant (HAG) can be used in conjunction with private finance to provide rented housing schemes are relatively new, and detailed rules are still being developed. If a registered fully mutual housing association eligible for mortgage tax relief were to put forward proposals also involving the use of HAG, we would consider them.

National Rivers Authority

Mr. O'Brien: To ask the Secretary of State for the Environment if he has offered guidelines to water authorities concerning the transfer of staff to the new National Rivers Authority; and if he will make a statement.

Mr. Moynihan: My noble Friend the Minister for Environment, Countryside and Water, has already issued guidelines to water authorities asking them to provide outline schemes of organisation for the separation of the functions that will pass to the National Rivers Authority into a separate NRA unit. Further guidance on staff transfer arrangements will be issued shortly.

Mr. O'Brien: To ask the Secretary of State for the Environment if he has considered the transfer of all the functions of the rivers division of the Yorkshire water authority to the proposed National Rivers Authority; and if he will make a statement.

Mr. Moynihan: The functions of the National Rivers Authority were set out in the policy statement which the Government published in December. These include the functions of land drainage, water resources, fisheries and recreation carried out by the rivers division of Yorkshire Water. In preparation for the NRA, water authorities are drawing up schemes of organisation in accordance with guidelines we have issued. We shall be considering these in the light of advice we receive from the NRA advisory committee.

Fly-tipping

Mr. Simon Hughes: To ask the Secretary of State for the Environment, pursuant to the answer to the hon. Member for Woolwich (Mr. Cartwright) of 3 May, *Official Report*, column *390*, when he expects to reach a decision, as part of the review of waste disposal legislation, on the possibility of making the registered owner of a vehicle used for fly-tipping liable to prosecution.

Mr. Moynihan: It will be necessary to consult a wide range of interested parties before coming to a decision on this issue. Consequently, it is not possible to give a firm date for a decision.

Rivers and Canals

Mr. O'Brien: To ask the Secretary of State for the Environment if he has considered making the management of all British navigable rivers and canals responsible to one management body; and if he will make a statement.

Mr. Moynihan: We have no plans to create a national navigation authority.

National Rivers Authority Advisory Committee

Mr. Boyes: To ask the Secretary of State for the Environment what emoluments are to be paid to the chairman and committee members of the National Rivers Authority advisory committee.

Mr. Moynihan: As chairman of the National Rivers Authority advisory committee, my right hon. and noble Friend Lord Crickhowell will receive an annual salary of £40,000. Final decisions about the pay of committee members must await their appointment.

Mr. Ron Davies: To ask the Secretary of State for the Environment what is the salary of the chairman of the National Rivers Authority advisory committee.

Mr. Moynihan: As chairman of the National Rivers Authority advisory committee, my right hon. and noble Friend Lord Crickhowell will receive an annual salary of £40,000.

Water Meters

Mr. Gordon Brown: To ask the Secretary of State for the Environment whether, before or after the privatisation of the water industry, he proposes that householders will be expected to meet the cost of installing water meters in their houses either *(a)* directly or *(b)* indirectly through increased water charges; and whether those households installing meters in advance of privatisation will be exempted from any further cost associated with compulsory water metering of households.

Mr. Moynihan *[holding answer 13 May 1988]:* Under paragraph 6 of schedule 1 to the Public Utility Transfers and Water Charges Act 1988 a water undertaker which requires domestic customers to be charged by measure must bear the cost of installing meters in existing properties. The water undertaker recovers its costs from the generality of its customers. That applies to water authorities and water companies alike, and is not affected by privatisation.

SOCIAL SERVICES

Housing Benefit

Mr. Kirkwood: To ask the Secretary of State for Social Services if he will estimate the additional costs of administration involved in the payment of the backdated housing benefit announced on 27 April, together with an estimate of the cost per individual case.

Mr. Portillo: I refer the hon. Member to the reply given to the hon. Member for Livingston (Mr. Cook) on 6 May, at column *654*.

Mr. Home Robertson: To ask the Secretary of State for Social Services if he will publish a table showing how many housing benefit claimants have lost and how many are better off in each district and islands area following recent changes in the system.

Mr. Graham: To ask the Secretary of State for Social Services how many Scottish Special Housing Association tenants are receiving less housing benefit than they received before the new housing benefit systems was introduced; and if he will break down the number of gainers and losers by district council wards.

Mr. Portillo: I regret that the information is not available.

Dispersed Alarm Systems

Mr. Bowis: To ask the Secretary of State for Social Services if he has further considered the provision of dispersed alarm systems in the light of the Griffiths report; and if he will make a statement.

Mrs. Currie: I refer my hon. Friend to the reply given by my right hon. Friend the Secretary of State to the right hon. Member for Manchester, Wythenshawe (Mr. Morris), and to the hon. Members for Caernarfon (Mr. Wrigley) and Ynys Môn (Mr. Jones) on 8 March 1988, at column *171*.

Genitourinary Medicine Clinics

Mr. Butler: To ask the Secretary of State for Social Services how many cases were seen at genitourinary medicine clinics in the United Kingdom in each year from 1980 to the latest available year.

Mrs. Currie: The available information is given in the table. Figures are not available for those who receive private treatment. The figures are counts of conditions — an individual is recorded under each condition present and may be recorded more than once in the year for different courses of treatment. Figures for Scotland, Northern Ireland and Wales are the responsibilities of my right hon. and learned Friend the Secretary of State for Scotland and my right hon. Friends the Secretaries of State for Northern Ireland and Wales.

New cases seen at NHS genitourinary medicine clinics in England

Year	*Number*
1980	458,979
1981	479,924
1982	517,668
1983	547,437
1984	569,928
1985	605,306
1986	647,359

QDSW (Funds)

Mr. Rowe: To ask the Secretary of State for Social Services what representations he has received on his decision not to fund the QDSW; and if he will make a statement.

Mr. Newton: I have received no formal representations since my letter of 3 May to Professor Saul as chairman of the Council of Education and Training in Social Work.

Abortions

Mrs. Ann Winterton: To ask the Secretary of State for Social Services (1) if he will issue guidance to doctors

performing abortions about the interpretation of the phrase "capable of being born alive", in the Infant Life Preservation Act of 1929;

(2) if he will issue guidance to doctors performing abortions about the difference in interpretation between the phrase "capable of being born alive", in the Infant Life Preservation Act 1929 and the word "viable" in the Abortion Act 1967.

Mr. Newton: We have no plans to do so. Interpretation of the statutes is a matter for the courts.

Mrs. Ann Winterton: To ask the Secretary of State for Social Services if he will issue guidance to doctors on the gestational limit beyond which it should be presumed that a child should be "capable of being born alive", under the terms of the Infant Life Preservation Act; and if he will make a statement outlining the specific medical evidence available to him in formulating this advice.

Mr. Newton: We have no plans to do so. Whether or not any particular foetus is capable of being born alive is a matter for the clinical judgment of the doctor concerned taking into account all the circumstances of the particular case. The best advice available on this subject remains the "Report on Foetal Viability and Clinical Practice", prepared in 1985 by a working party of the Royal College of Obstetricians and Gynaecologists together with representations of other medical and midwifery professional bodies, and sent to all fellows and members of the Royal College of Obstetricians and Gynaecologists in this country. Its recommendations were unanimously supported in November 1987 in a further report by the same professional bodies, together with the Clinical Genetics Society.

Agency Staff

Mr. Nicholas Winterton: To ask the Secretary of State for Social Services (1) whether he has any information concerning the total cost each year of agency personnel used in each regional health authority to fill vacant administrative posts; and if he will make a statement;

(2) what information he has concerning the cost to the National Health Service of using administrative and secretarial staff from agencies compared with the cost of fully employing such staff;

(3) if he will estimate the total annual additional cost to the National Health Service of using agency staff to fill vacant clerical, secretarial and administrative posts.

Mr. Newton: The table shows the information that is available for expenditure on agency staff employed on administrative, secretarial and clerical work in the National Health Service in England for the year 1986-87. Details of the individual administrative and clerical posts covered by agency staff are not available centrally.

1986-87 Expenditure on Non-National Health Service Agency, and So On)—Administrative and Clerical Staff

Region	*Total Administrative and Clerical Staff £000s*	*Typing and Secretarial Staff £000s*	*Other Administrative and Clerical Staff £000s*
Northern	96	68	28
Yorkshire	670	258	412
Trent	993	486	507
East Anglian	954	488	466
North West Thames	6,407	3,489	1,918
North East Thames	5,961	3,291	2,670
South East Thames	3,783	1,930	1,853
South West Thames	6,563	1,985	4,578
Wessex	1,089	623	466
Oxford	663	258	405
South Western	791	550	241
West Midlands	1,718	860	858
Mersey	143	80	63
North Western	384	216	168
London Postgraduate Teaching Hospitals	1,962	1,594	368
Family Practitioner Committees	240	137	103
England Total	31,418	16,313	15,105

All figures independently rounded to nearest £000.
The figures exclude expenditure by certain SHAs and other bodies providing central services to the NHS. Their annual accounts do not separately identify such expenditure but, given the level of their total expenditure, that on agency staff is not thought to be significant.

Mr. Nicholas Winterton: To ask the Secretary of State for Social Services what steps his Department is encouraging district health authorities to take in order to reduce dependency upon agency arrangements.

Mr. Newton: It is a matter for authorities at local level to make day-to-day decisions on the deployment of staff. Agency staff are used to alleviate staffing problems for a number of reasons including cover during periods of leave and where special skills are required for short-term projects. In the nursing and midwifery grades, staff are now being offered more flexible work arrangements, more opportunities for part-time work and job sharing, and nurse banks are being established. The recommendations of the independent pay review body and the new grading structure are expected to assist recruitment and retention of nursing and midwifery staff, and thus reduce reliance on agency staff.

Within the medical and dental staff group I am aware of health authorities' concern about the cost of M and D staff engaged through commercial agencies and officials are currently considering this issue with representatives of NHS management.

Out-patients (Waiting Lists)

Mr. Nicholas Winterton: To ask the Secretary of State for Social Services what action he proposes to take in the light of the conclusions of the paper relating to out-patients waiting lists which appeared in the *British Medical Journal* of 30 April, a copy of which has been sent to him.

Mr. Newton: I have noted the conclusions of the paper drawn on the basis of a study at the Royal Northern hospital. The pay and conditions of secretarial and clerical staff are matters for negotiation in the Administrative and Clerical Staffs Whitley council. This council is currently discussing a revised pay and grading system with a view to helping health authorities to overcome problems of recruitment and retention of certain groups of staff in particular geographical areas. In addition, health authorities are encouraged to use local initiatives on employment conditions to make jobs more attractive.

Disabled Persons (Services, Consultation and Representation) Act 1986

Mr. Tom Clarke: To ask the Secretary of State for Social Services if he will make a statement on the progress of discussions with local authority associations about the implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986.

Mr. Scott: We are embarked on a series of discussions with local authority associations about the progressive implementation of the Act, in order to identify the resources required to implement each section. These discussions are continuing.

Landlords (Payments)

Mr. Blunkett: To ask the Secretary of State for Social Services how much has been paid to landlords under the Social Security (Claims and Payments) Regulations 1987 (S.I., 1987, No. 1968) over the latest period of 12 months for which figures are available; and if he has been monitoring the operation of the regulations.

Mr. Portillo: These regulations did not come into force until 11 April 1988. The provision of the regulations will be monitored and information on amounts paid direct to landlords will be collected, in due course, as part of the annual statistical inquiry.

The figures for direct payments to landlords under the Supplementary Benefit (Claims and Payments) Regulations 1981 (S.I., 1981, No. 1525) which were in force before 11 April were not collected centrally and could be obtained only at disproportionate cost.

Hospices

Ms. Harman: To ask the Secretary of State for Social Services if he will make additional resources available to district health authorities specifically for distribution to enable voluntary hospices to pay their nurses an increase equal to the pay award to National Health Service nurses; and if he will make a statement.

Mr. Newton: I refer the hon. Member to my reply to her on 10 May, at column 140.

Social Fund

Mr. Fearn: To ask the Secretary of State for Social Services how many Department of Health and Social Security offices were unable to make any payments from the social fund on 11 April because they had not received the appropriate forms.

Mr. Portillo: Arrangements were made well in advance to supply all offices with the appropriate forms. I am not aware of any offices that were unable to make payments from the social fund because they had not received the appropriate forms.

Mr. Strang: To ask the Secretary of State for Social Services (1) how many social fund applications have been received since 1 April in each of his Department's social security offices serving the district of Edinburgh; and, of these applications, how many have been accepted and how many refused;

(2) what percentage of the monthly social fund quota was allocated in each of his Department's offices serving the district of Edinburgh from 1 April to 1 May.

Mr. Portillo: Edinburgh is served by five local offices, Edinburgh city, Edinburgh east, Edinburgh north, Edinburgh south and Edinburgh west. Arrangements for the publication of data on the social fund were announced in my reply to the hon. Member for Derby, South (Mrs. Beckett) on 6 May, at column *656*.

Mr. Boateng: To ask the Secretary of State for Social Services if he will give details of the criteria for refusal of help from the social fund for *(a)* claimants, *(b)* newly arrived immigrants and *(c)* refugees to the United Kingdom.

Mr. Portillo: Guidance and directions for the award of social fund payments appear in the "Social Fund Manual", which was published in November 1987 A copy is in the Library.

Departmental Office (Southampton)

Mr. Fearn: To ask the Secretary of State for Social Services what was the cost of the refurbishment of the Department of Health and Social Security office in Southampton.

Mr. Portillo: The latest work to refurbish the public waiting area in the Department's local office in Southampton has cost £64,000. Most of the work has been completed, but carpets have not yet been laid.

Rate Arrears

Mr. Fearn: To ask the Secretary of State for Social Services if there are any plans to enable local Department of Health and Social Security offices to deduct rate arrears from income support to pay local authorities.

Mr. Portillo: We have no such plans.

Low-income Families

Mr. Robin Cook: To ask the Secretary of State for Social Services when he received the low-income families tables derived from the family expenditure survey for 1985.

Mr. Portillo: Ministers received the full set of tables in March and the final pre-publication version with accompanying notes last week.

Legionnaire's Disease

Mr. Hannam: To ask the Secretary of State for Social Services when he expects to publish the findings of the Wright committee on biocides for the treatment of water and the prevention of Legionnaire's Disease.

Mrs. Currie: I understand that the committee's work is well advanced and we expect to receive its report later this year.

Computers

Mr. Fearn: To ask the Secretary of State for Social Services if his Department has any plans to integrate its proposed computer network with either the police computer network, the Inland Revenue computer network or the VAT computer network.

Mr. Portillo: The Department is working with Her Majesty's Treasury, Her Majesty's Customs and Excise, the Inland Revenue and the Home Office on the proposed Government data network. The network would share communication facilities. There are no plans to use the network to link the department's computers to those of other Departments.

Plutonium

Dr. Thomas: To ask the Secretary of State for Social Services what investigations are currently under way or planned to evaluate the absorbed plutonium uptake into the teeth of children living near the Sellafield reprocessing plant.

Mrs. Currie: Following a recommendation in the report by the Independent Advisory Group*, established in 1983 to investigate the possible increased incidence of cancer in west Cumbria, the Department has agreed to fund a study into the levels of bone-seeking radionuclides such as plutonium in the teeth of young people. The study will involve the collection, from all parts of the United Kingdom, including west Cumbria, of shed deciduous (milk) teeth, and permanent teeth extracted in the course of normal dental practice. This work is being undertaken jointly by the Harwell laboratory and the physics department of the University of Bristol.

*"Investigation of the Possible Increased Incidence of Cancer in West Cumbria" (HMSO 1984).

Supplementary Benefit

Mr. Strang: To ask the Secretary of State for Social Services how many people in the district of Edinburgh were in receipt of supplementary benefit at 31 March.

Mr. Portillo: The total number of people in receipt of supplementary benefit on 17 November 1987, the latest date for which figures are available, from the five Edinburgh local offices was 57,285.

(*Source:* 100 per cent. count of cases in action. This figure may, however, overstate the number of people receiving supplementary benefit. The footnote to the reply given to my hon. Friend the Member for Hyndburn (Mr. Hargreaves) on 31 March 1988, at columns *660-61*, refers.)

Single and Special Payments

Mr. Strang: To ask the Secretary of State for Social Services how many applications for single payments and special payments were outstanding in each of his Department's social security offices serving the district of Edinburgh at 1 April and 1 May, respectively; and what extra resources are being made available to deal with any outstanding applications.

Mr. Portillo: The district of Edinburgh is served by five social security offices, although their boundaries are not conterminous with that of the district council. Information for the dates requested is not available and could be obtained only at disproportionate cost, but figures are given in the table for the closest dates for which figures were collected.

	Single payments		*Additional requirements*	
	29 March	*3 May*	*29 March*	*3 May*
Edinburgh City	244	1,569	1,504	1,591
Edinburgh East	502	2,638	2,396	2,527
Edinburgh North	239	2,012	1,112	840
Edinburgh South	646	2,153	2,018	1,989
Edinburgh West	253	1,687	1,980	1,595

The marked rise in single payment claims between 29 March and 3 May was due in large part to take-up campaigns organised by the Confederation of Scottish Local Authorities, and a large number of other groups. All claims were examined on receipt and priority has been given to urgent cases. All Scottish offices received an additional allocation of manpower resources to achieve the conversion of supplementary benefit cases to income support in the year to April 1988. This extra manpower resource has been carried forward into the first three months of this financial year to aid the clearance of residual supplementary benefit work. In addition central management has authorised overtime working and the employment of additional temporary staff in the Edinburgh offices to clear outstanding single payment and additional requirement work. Central management in Scotland is keeping the situation under close review.

Energy Efficiency

Mr. Rowlands: To ask the Secretary of State for Social Services what are his Department's target reductions in energy usage for 1988-89; what is his Department's target reduction in electricity usage for lighting in 1988-89; and what investment his Department is planning to make in new energy efficient lighting equipment in 1988-89 to achieve those target reductions.

Mr. Portillo: We have introduced a programme of energy management, including "spend to save" initiatives, with the object of an overall reduction in energy consumption. No specific savings target has been set for 1988-89, but a target is being developed for future years. Lighting systems will not normally be replaced by more energy efficient equipment until the end of their useful life, but in particular circumstances replacement systems are considered.

Departmental Staff (Edinburgh)

Mr. Strang: To ask the Secretary of State for Social Services what were the staffing levels designated by his Department for each of his Department's social security offices serving the district of Edinburgh for the years 1987-88 and 1988-89, respectively; and how many staff were in post in each of the offices at 1 May.

Mr. Portillo: The information requested is as follows:

Office	Complement 1987-88	Complement 1988-89	Staff in post 1 May 1988
Edinburgh City ILO	188	161	176
Edinburgh East ILO	166	142	158
Edinburgh North ILO	168	151	162·5
Edinburgh South ILO	182	161·5	170
Edinburgh West ILO	169	155·5	167·5

ILO = Integrated Local Office.

Great Ormond Street Hospital

Mr. Dobson: To ask the Secretary of State for Social Services, pursuant to the answer to the hon. Member for Holborn and St. Pancras on 11 May, *Official Report*, column *121*, whether the Hospitals for Sick Children special health authority or its officers ever informally inquired of the Government whether they would be willing to fully fund the refurbishment of Great Ormond street hospital.

Mrs. Currie: In preliminary discussions about this proposal, the possibility of full funding by the Government was raised but it was accepted very early on by both sides that the size of the scheme sought by the authority made this impossible given the time scale which the authority believed was desirable. It was agreed therefore that the best solution to enable the project to proceed rapidly was for a joint approach to funding, with the Government supporting the efforts of the public at large. I am delighted to learn that these efforts are meeting such success.

Cancer Screening

Rev. Martin Smyth: To ask the Secretary of State for Social Services what is his policy towards a full universal cancer screening programme; what estimates of the cost and benefits of such a scheme have been made by his Department; and if he will make a statement.

Mrs. Currie *[holding answer 13 May 1988]:* Before a screening method for any cancer was introduced on a routine basis it would need to be assessed against the principles of screening formulated for the World Health Organisation (WHO). These include:

there should be a suitable test which is acceptable to the population,

treatment of the disease at an early stage should be of more benefit than treatment started at a later stage,

the chance of physical or psychological harm to those screened should be less than the chance of benefit,

the cost of a screening programme should be balanced against the benefit it provides.

There are over 200 different cancers and, as yet, no established screening tests for most of them individually, or a universal test, which would meet the WHO criteria. The question of introducing a full universal screening programme has not, therefore, been considered.

Screening for breast and cervical cancer meets the WHO criteria and national programmes have therefore been set up. Research is being undertaken into possible screening for other cancers.

Residential Care

Mr. Hinchliffe: To ask the Secretary of State for Social Services what action he will take to improve the provisions for the special needs of members of ethnic minority groups in residential care.

Mrs. Currie *[holding answer 28 April 1988]:* The Department's Social Services Inspectorate examined aspects of services for ethnic groups in 24 authorities in 1986 and reports have been sent to each participating social services department with advice on how to improve their provision for these groups. Further work by the inspectorate is being planned. The Department is funding three projects aimed at assisting social services authorities in the development of services for ethnic minority groups.

The residential care needs of ethnic minority groups was one of the issues touched on in the independent review of residential care chaired by Lady Wagner. We will be considering Lady Wagner's report further in the light of Sir Roy Griffiths' report on community care and of reactions to both reports and will bring forward our own proposals in due course.

Rating Reform

Mr. Churchill: To ask the Secretary of State for Social Services what would be the cost of raising the cut-off point for community charge rebates in respect of individual's capital allowances from £6,000 to £10,000.

Mr. Portillo *[holding answer 28 April 1988]:* We estimate, on the basis of current assumptions about levels of community charge and the operation of the rebate scheme, that the difference in benefit expenditure between a capital cut-off at £6,000 and one at £10,000 for community charge rebates would be £30 million. Our intention is that the level of capital cut-off for community charge rebates will be in line with that for housing benefit, currently £8,000.

Debt Counselling

Mr. McTaggart: To ask the Secretary of State for Social Services if he has information on the number of debt counselling cases handled by citizens advice bureaux in Scotland in each of the last 10 years; and if he will give the grant-in-aid for each of these years.

Mr. Butcher: I have been asked to reply.

The information requested is as follows:

	Number of debt counselling cases handled by Scottish CABX ('000)	Grant-in-aid to the Scottish Association of Citizens Advice Bureaux ('000)
1978-79	n.a.	106·6
1979-80	n.a.	145·5
1980-81	n.a.	217·9
1981-82	n.a.	315·7
1982-83	n.a.	530·6
1983-84	13·9	629·7
1984-85	21·7	700·4
1985-86	28·1	813·9
1986-87	42·1	889·0
1987-88	54·2	926·0

n.a. = Not available. (Statistics relating to the number of debt counselling cases handled before 1983-84 were not separately collected).

SCOTLAND

Mr. Alex Pagett

Mr. Wilson: To ask the Secretary of State for Scotland if he will enumerate and list the occasions on which Mr. Alex Pagett has visited offices of his Department since resigning from the SIO; and for what purposes.

Mr. Rifkind: Since resigning from the SIO, Mr. Pagett has occasionally visited the Scottish Office in London in order to liaise with Ministers and my special adviser. He has also visited the Scottish Office in Edinburgh on one occasion for a meeting with a Minister.

Tranquillisers

Mr. David Marshall: To ask the Secretary of State for Scotland if he has any evidence of doctors overprescribing Temazepam, Temgesics, Diazepam and Lorazepam tablets; and if he will make a statement.

Mr. Michael Forsyth: I have no evidence which suggests that doctors in general are prescribing greater quantities of these drugs than are required for the treatment of their patients. Arrangements exist for the routine monitoring of doctors' prescribing of all drugs and where there is any irregularity the health board will investigate and the doctor may be called upon to justify his prescribing. In only a very few isolated instances have there been such investigations into the prescribing of these drugs. Nevertheless in view of concerns about the use of Temazepam and Temgesic by drug addicts the prescribing of these drugs is being specially monitored at present.

Further Education

Mr. Andrew F. Bennett: To ask the Secretary of State for Scotland how many pupils, and what percentage, remained in full-time education after 16 and 17 years of age in each local authority in 1978-79 and the latest date available and the total for Scotland.

Mr. Michael Forsyth: Estimates for Scotland as a whole are given below. Information for individual education authorities is not readily available.

16 and 17 year olds[1] in School[2] or Full-time Non-advanced Further Education

	16 years olds		*17 year olds*	
	Number	*Percentage of 16 year olds*	*Number*	*Percentage of 17 year olds*
1978-79	41,600	46	19,000	21
1986-87	46,500	56	26,000	31

[1] Age at 31 December of session.
[2] Excludes those leaving on attaining school leaving age at the end of the first term.

Rents

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will publish a table showing the average level of *(a)* local authority rents, *(b)* fair rents registered for unfurnished lettings and *(c)* market rents charged outwith the fair rent system, in each year since 1979, indicating the percentage increase in each on an annual and a cumulative basis; and what were the changes in the retail prices index over the same period.

Lord James Douglas-Hamilton: No information is held centrally on rents which are not registered. The remainder of the information is given in the table.

Average annual rents—local authority and registered furnished lets in Scotland

Year	*Local authority[1]*			*Registered unfurnished lets[2]*			*Retail prices index*	
	Average annual rent £	*Percentage increase over previous year*	*Cumulative percentage increase*	*Average annual rent £*	*Percentage increase over previous year*	*Cumulative percentage increase*	*Index (October 1979 = 100)*	*Percentage increase over previous year*
1979	255·61	—	—	303	—	—	100·0	15·4
1980	305·73	19·6	19·6	337	11·2	11·2	115·4	15·4
1981	400·07	30·9	56·5	419	24·3	38·3	128·9	11·7
1982	469·03	17·2	83·5	529	26·3	74·6	137·7	6·8
1983	512·56	9·3	100·5	632	19·5	108·6	144·6	5·0
1984	543·94	6·1	112·8	652	3·2	115·2	151·8	5·0
1985	600·53	10·4	134·9	789	21·0	160·4	160·1	5·4
1986	675·49	12·5	164·3	847	7·4	179·5	164·9	3·0
1987	758·03	12·2	196·6	905	6·8	198·7	172·3	4·5

[1] At 30 September.
[2] Private sector rents registered by Rent Officers.

Housing Capital Projects

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will list *(a)* the bids made by local housing authorities and *(b)* the allocations that he has made to each of them for consent to spend on housing capital projects in 1988-89.

Lord James Douglas-Hamilton: Bids for 1988-89 and the related final gross capital allocations, issued in March 1988, are given in the table.

Gross Housing Capital Allocations 1988-89 (£ million)

Authority	Housing Revenue Account		Non-Housing Revenue Account	
	Authority's Bid	Issued Allocation	Authority's Bid	Issued Allocation
Berwickshire	1·017	0·850	0·500	0·500
Ettrick and Lauderdale	1·922	1·800	0·800	0·650
Roxburgh	4·545	4·000	0·725	0·600
Tweeddale	0·365	0·365	0·300	0·300
Clackmannan	6·656	5·000	0·760	0·450
Falkirk	17·065	15·000	2·122	1·400
Stirling	10·820	7·800	1·955	1·100
Annandale and Eskdale	3·882	3·525	0·540	0·450
Nithsdale	8·935	6·100	0·768	0·675
Stewartry	1·900	1·750	0·400	0·325
Wigtown	3·108	3·270	1·045	0·700
Dunfermline	13·507	11·000	1·240	0·950
Kirkcaldy	15·453	11·400	1·755	1·250
North East Fife	4·247	4·247	3·251	1·750
Aberdeen	56·742	17·250	7·763	5·000
Banff and Buchan	4·410	4·350	1·250	1·075
Gordon	13·633	7·800	0·950	0·800
Kincardine and Deeside	4·895	4·430	0·720	0·625
Moray	6·333	5·300	1·764	0·950
Badenoch and Strathspey	0·768	0·768	0·300	0·275
Caithness	4·181	3·500	0·950	0·900
Inverness	6·317	5·209	1·400	1·150
Lochaber	9·944	4·200	0·600	0·500
Nairn	1·176	1·100	0·190	0·125
Ross and Cromarty	6·958	5·920	2·967	2·500
Skye and Lochalsh	2·278	2·080	1·020	0·750
Sutherland	2·053	2·053	1·045	0·800
East Lothian	12·919	8·700	2·800	1·900
Edinburgh	61·927	32·000	31·000	31·000
Midlothian	5·000	5·115	0·961	0·750
West Lothian	10·206	8·000	1·000	0·750
Argyll and Bute	4·756	4·750	7·628	5·700
Bearsden and Milngavie	2·374	1·350	0·600	0·450
Clydebank	7·844	6·500	1·072	1·000
Clydesdale	3·981	3·594	0·700	0·600
Cumbernauld and Kilsyth	2·477	1·850	0·640	0·550
Cumnock and Doon Valley	3·500	3·300	0·300	0·225
Cunninghame	18·501	7·500	3·800	2·500
Dumbarton	26·791	7·000	1·130	0·700
East Kilbride	0·615	0·615	0·272	0·270
Eastwood	1·495	1·200	0·250	0·230
Glasgow	200·000	88·000	96·570	45·500
Hamilton	11·148	8·225	1·530	1·100
Inverclyde	10·064	7·500	2·781	2·750
Kilmarnock and Loudoun	6·921	6·000	0·500	0·300
Kyle and Carrick	7·442	7·442	0·780	0·550
Monklands	18·000	13·500	1·080	0·950
Motherwell	18·335	16·500	0·810	0·700
Renfrew	45·065	18·500	3·380	3·000
Strathkelvin	16·730	7·412	0·807	0·600
Angus	5·624	5·200	0·758	0·720
Dundee	28·250	18·750	5·000	4·415
Perth and Kinross	6·586	5·800	2·750	2·400
Orkney	2·056	1·100	1·505	1·300
Shetland	6·087	5·200	0·923	0·850
Western Isles	5·131	4·500	3·790	3·350

Atmospheric Radioactive Contamination

Mr. Home Robertson: To ask the Secretary of State for Scotland what equipment is available to his Department for the detection of radioactive contamination in the atmosphere, and if any new equipment has been acquired for this purpose since the Chernobyl accident.

Lord James Douglas-Hamilton: The Atomic Energy Research Establishment at Harwell operates three air sampling stations in Scotland. In addition civil and nuclear establishments, the National Radiological Protection Board and some academic and research centres in Scotland undertake routine monitoring of the atmosphere for radioactivity. All results are available to the Scottish Office.

Under the national response plan for dealing with nuclear accidents overseas, some 80 monitoring stations will be established in the United Kingdom, of which about 26 will be in Scotland. They will measure gamma dose rates, but a number of sites yet to be determined will also be equipped to measure air concentrations. Some 46 monitoring sites will be established this year (20 in Scotland) and the balance within two years.

Pre-Five Services

Mrs. Fyfe: To ask the Secretary of State for Scotland (1) whether he has any plans to advise or assist regional councils to integrate pre-five services;

(2) whether he has any plans to encourage regional councils to expand (i) nursery education, (ii) day care nurseries, and (iii) childminding services;

(3) what assistance he will give to regional councils to enable them to target pre-five services to priority groups including handicapped children, children with language difficulties, and children living in low-income households;

(4) whether he will take steps to ensure that pre-five provision is more responsive to the needs of the community.

Mr. Michael Forsyth: Our current policy is to look to local authorities to determine the nature and scale of services for the pre-fives within their areas, in the light of the resources available to them and according to their own priorities.

Mrs. Fyfe: To ask the Secretary of State for Scotland whether he has any plans to provide either capital allocation or capital grants to enable regional councils to improve provision of pre-five services.

Mr. Michael Forsyth: Allocations are made to regional and island authorities for capital expenditure on education and social work services. It is for authorities to decide what place improvement of provision for the pre-fives takes on their priorities for capital expenditure. Under the urban programme pre-fives projects in eligible areas may qualify for capital grants

Parenthood Education

Mrs. Fyfe: To ask the Secretary of State for Scotland whether he will take steps to promote parenthood education in secondary shcools.

Mr. Michael Forsyth: A joint working group of the Scottish Examination Board and the Scottish Consultative Council on the Curriculum is currently developing proposals for short courses in health studies suitable for secondary pupils from age 14. Their report, which will shortly be circulated for consultation, includes proposals for a 40-hour short course on parenthood.

Parentcraft Classes

Mrs. Fyfe: To ask the Secretary of State for Scotland (1) whether he will take steps to promote parentcraft classes at clinics for mothers and fathers;

(2) whether he has any plans to provide better and more local ante-natal and post-natal care and support.

Mr. Michael Forsyth: It is for individual health boards to determine, in the light of the resources available to them, the appropriate provision for ante-natal and post-natal care and support in their areas and how these services should be organised.

Direct Labour Organisations

Mr. Tom Clarke: To ask the Secretary of State for Scotland if he will publish a table in the *Official Report* showing, for each local authority in Scotland, the number of employees on a full-time equivalent basis in local authority direct labour organisations for each year since 1979 and the percentage annual change.

Lord James Douglas-Hamilton: This information is not held centrally. However, statistics published annually by the Chartered Institute of Public Finance and Accountancy since 1983-84 show that the total number of DLO staff employed by Scottish local authorities was as follows:

1983-84	*1984-85*		*1985-86*		*1986-87*	
Number of DLO staff	*Number of DLO staff*	*Percentage reduction from previous year*	*Number of DLO staff*	*Percentage increase from previous year*	*Number of DLO staff*	*Percentage reduction from previous year*
16,012	15,441	3·6	15,660	1·4	14,833	5·3

Housing Benefit

Mr. Graham: To ask the Secretary of State for Scotland if, during the course of his visit to Renfrew, West and Inverclyde, to open the Gledoch House hotel on 6 June, he will agree to meet constituents of the hon. Member for Renfrew, West and Inverclyde to discuss their housing problems in the light of recent changes in the benefits system; and if he will make a statement.

Mr. Rifkind: No. The hon. Member may wish to write to me; but questions on housing benefit policy are best addressed to my right hon. Friend the Secretary of State for Social Services.

Rating Reform

Mrs. Margaret Ewing: To ask the Secretary of State for Scotland (1) how many meetings have been held to discuss procedures to be followed for registration for the community charge of Her Majesty's forces personnel based in Scotland on temporary postings;

(2) when his office expects to complete consideration of the community charge position of service families living in Ministry of Defence married quarters.

Mr. Lang: In general adult service personnel and their families who are solely or mainly resident in the area of a local authority will require to register for and pay the personal community charge in the normal manner. The position of those service personnel in Scotland who are exceptionally mobile and for whom individual registration for the personal community charge would be impracticable is the subject of continuing discussion between the Scottish Office and the Ministry of Defence.

Disabled People

Mr. Graham: To ask the Secretary of State for Scotland how many employers have been taken to court in Scotland in each of the last five years for failure to implement the one-third quota of disabled people in their firms.

Mr. Lang: I assume the hon. Member is referring to the 3 per cent. quota.

There have been no such prosecutions in Scotland under the Disabled Persons (Employment) Act 1944 during the last five years.

Mr. Graham: To ask the Secretary of State for Scotland what is the take-up in Scotland of grants available to firms to assist them with adaptions to help them employ registered disabled people; and if he will list the firms and the sums allocated to each firm.

Mr. Lang: Grants totalling £22,343 were made to 11 employers in Scotland during 1987-88 to assist registered disabled people into employment. It is not Government policy to publish details of individual employers benefiting.

Forestry

Mr. Graham: To ask the Secretary of State for Scotland if he will list the names, locations and areas of plantations in the Dornoch forest district planted by the Forestry Commission in 1987-88; and if he will list similar information for those areas proposed to be planted in 1988-89 and 1989-90.

Lord James Douglas-Hamilton: The information for 1987-88 is as follows:

Name	*Location*	*Area (hectares)*
Achairn	Caithness	94
Rowens	Caithness	44
Dyke	North Sutherland	168
Achormlarie	East Sutherland	257
Ledmore	South Sutherland	50
Dalnessie	South Sutherland	251
Invershin	South Sutherland	173
Lochies	South Sutherland	16

The commission's planting programmes for 1988-89 and 1989-90 have not yet been decided.

Mr. Graham: To ask the Secretary of State for Scotland what wildlife surveys or environmental assessments the Forestry Commission is carrying out or commissioning, or requiring of applicants for forestry grant, in order to determine the effect of new afforestation proposals in Sutherland and Caithness on the wildlife populations of that area.

Lord James Douglas-Hamilton: The Forestry Commission is consulting the Nature Conservancy Council at present over all afforestation proposals in Sutherland and Caithness. This enables the council to set out its views on the likely effect of afforestation on wildlife populations.

Departmental Correspondence (Confidentiality)

Mr. Dalyell: To ask the Secretary of State for Scotland if, pursuant to his answer of 12 April, *Official Report*, column 44, he will make a further statement about the progress of the inquiry into the unauthorised disclosure of correspondence between the Prime Minister's private office and his Department relating to opting out by schools.

Mr. Rifkind: No; in accordance with normal practice this is not a matter about which I am prepared to give any details.

Mentally Ill Persons

Mr. Dunnachie: To ask the Secretary of State for Scotland how many *(a)* registered mentally ill and *(b)* mentally handicapped patients there were in the Greater Glasgow health board area in 1979, and in each year until 1987; and how many staff were employed with groups in the mentally ill sector and in the mentally handicapped sector in 1979 and in each year until 1983.

Mr. Michael Forsyth *[holding answer 3 May 1988]:* Information is not available centrally in the precise form requested. The following tables show the relevant available statistics.

Table 1
Patients resident in mental illness and mental handicap hospitals and units at 31 December

Numbers

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*	*[1] 1986*
Mental illness[2]								
Patients	3,809	3,854	3,774	3,772	3,707	3,676	3,325	3,409
Mental handicap								
Patients	1,773	1,752	1,723	1,668	1,578	1,499	1,373	1,101

Table 2
Hospital doctors and nurses working in mental illness and mental handicap specialties at 30 September

whole-time equivalent

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*	*[1] 1987*
Mental illness[2]									
Doctors[3]	127	123	125	132	140	135	124	123	117
All nursing staff[4]	2,302	2,450	2,623	2,549	2,448	2,484	2,560	2,561	2,596
qualified nurses	1,031	1,075	1,152	1,261	1,289	1,305	1,328	1,318	1,358
in-training nurses	547	590	636	513	399	429	464	470	415
unqualified nurses	724	786	835	775	760	750	767	773	823
Mental handicap									
Doctors[3]	6	6	7	6	6	4	2	3	2

	1979	1980	1981	1982	1983	1984	1985	1986	[1] 1987
All nursing staff[4]	656	694	742	723	728	677	696	680	775
qualified nurses	268	281	304	302	314	337	331	322	328
in-training nurses	130	136	150	160	178	126	115	113	119
unqualified nurses	259	277	289	262	236	214	249	245	329

[1] Provisional data. Information on patients at 31 December 1987 is not yet available.
[2] Mental illness figures include patients in psychogeriatric facilities and the staff caring for them.
[3] For doctors, mental illness includes the specialties: mental illness, child and adolescent psychiatry and psychotherapy. It excludes forensic psychiatry. Doctors are classified by the specialty as per the contract of employment. A number of doctors classified under mental illness will have responsibility for mental handicap patients.
[4] Includes senior administrative nurses but does not take account of such nurses with more than one functional (specialty) responsibility. Some nurses working in the community psychiatric role may be included in the data but these nurses are not separately identified centrally. The individual nurse lines may not sum to the total because of rounding of the figures.

DEFENCE

Genetically Engineered Micro-organisms

Mr. Allan Roberts: To ask the Secretary of State for Defence (1) if there are any research projects or proposals which will result in the testing or release of genetically engineered micro-organisms for defensive or offensive purposes by employees or agents of his Department;

(2) what provisions he intends to take to ensure that the technology for hostile or mischievous release of genetically manipulated micro-organisms does not become freely available.

Mr. Sainsbury: All work carried out by my Department in connection with genetically engineered micro-organisms is designed to provide protection for our armed forces against the possible use of biological agents by an aggressor. No work is done for offensive purposes. There are no current research projects which would involve the release of any such micro-organisms to the environment. All such work complies fully with the procedures operated by the Health and Safety Executive.

Mr. Allan Roberts: To ask the Secretary of State for Defence if he will seek to discover from the United States Department of Defence whether it has plans to develop and test genetically engineered micro-organisms capable of disrupting agricultural productivity following the release into the environment.

Mr. Sainsbury: Programmes undertaken by the United States Department of Defence are a matter for the United States Government. However, I understand that all testing for protective purposes of genetically engineered organisms undertaken by the United States Department of Defence, as permitted by the 1972 biological weapons convention, is closely scrutinised by the United States Environment Protection Agency, and that there is no risk to agricultural production.

Stornoway Airport

Mr. Macdonald: To ask the Secretary of State for Defence how many simulated air attacks on Stornoway airport were carried out in 1987.

Mr. Freeman: Simulated air attacks on Stornoway airport have taken place from time to time between the six weeks of the year when Stornoway is activated for military exercises. There is no requirement for these to be recorded systematically and there is thus no precise figure available for 1987. Since the airfield was last activated in September 1987, it is estimated that there have been less than 10 simulated attacks.

Mr. Macdonald: To ask the Secretary of State for Defence on what dates the planned noise survey will be carried out at Stornoway airport.

Mr. Freeman: Arrangements have been made for the noise survey to take place from 11 to 15 July inclusive to coincide with the first military exercise at RAF Stornoway this year. I shall write to the hon. Member when the results of the survey are available.

Mr. Macdonald: To ask the Secretary of State for Defence when the next deployment of aircraft from the fleet requirements and air direction unit to Stornoway airport is planned.

Mr. Freeman: It is not the Department's policy to reveal advance information of this type about its operational activities.

Mr. Macdonald: To ask the Secretary of State for Defence how many practice approaches were carried out by military aircraft at Stornoway airport in 1987.

Mr. Freeman: Records of practice approaches by military aircraft at Stornoway airport were not kept prior to September 1987 and are not maintained during those periods when the airfield is activated for military exercises. Records kept by Highlands and Islands Airports Ltd. since the last military activation period between 7 and 18 September indicate that practice approaches by military aircraft average some 10 per month.

Mr. Macdonald: To ask the Secretary of State for Defence what facilities are currently provided at Stornoway airport for United States Navy maritime patrol aircraft.

Mr. Freeman: There are no facilities currently provided at RAF Stornoway specifically for United States Navy maritime patrol aircraft, though such aircraft could use the airfield in the normal way, subject to their obtaining appropriate clearance.

Air Defence Exercises

Mr. Macdonald: To ask the Secretary of State for Defence (1) what activities will be carried out at Stornoway airport during Exercise Elder Joust;

(2) when the next air defence exercise in the Priory series is due to take place.

Mr. Freeman: The Exercise Priory series is to be replaced by the Exercise Elder Joust series, the first of which is scheduled to take place in October. Planning for this exercise is in its early stages. If RAF Stornoway is to be utilised the appropriate authorities will be notified in accordance with standing arrangements.

Mr. Macdonald: To ask the Secretary of State for Defence what activities will be carried out at Stornoway airport during Exercise Teamwork. .

Mr. Freeman: Plans for this exercise have yet to be finalised. If RAF Stornoway is to be utilised the appropriate authorities will be notified in accordance with standing arrangements.

Mr. Macdonald: To ask the Secretary of State for Defence what deficiencies were identified in fighter reaction times to air threats to the north-west of the United Kingdom during the recent Exercise Elder Forest.

Mr. Freeman: An evaluation of this exercise is still under way, but preliminary indications are that it successfully achieved the aim of testing certain of the United Kingdom's air defence forces. It is not, however, the practice to reveal in detail operational lessons learnt from such exercises.

Flight Refuelling Limited

Mr. Macdonald: To ask the Secretary of State for Defence, pursuant to his reply to the hon. Member for Western Isles on 22 April, *Official Report*, column *578*, which services are provided to his Department by Flight Refuelling Limited under each of its three contracts with his Department.

Mr. Freeman: The services provided comprise the piloting and maintenance of Royal Navy Canberra and Hunter aircraft, the supply of crewed Falcon aircraft and the provision of target towing, silent target, threat simulation and electronic warfare services using these aircraft for the Royal Navy.

Benbecula (Low Flying)

Mr. Macdonald: To ask the Secretary of State for Defence, pursuant to his reply to the hon. Member for the Western Isles on 22 April, *Official Report*, column *579*, what was the appropriate action taken by the United States authorities in respect of the incident over Benbecula involving a United States Air Force F-111 on 12 September 1983.

Mr. Freeman: I have nothing to add to the replies I gave the hon. Member on 5 February and 22 April 1988, at columns *791* and *579* respectively.

Mr. Macdonald: To ask the Secretary of State for Defence, pursuant to his reply to the hon. Member for the Western Isles on 22 April, *Official Report*, column *579*, what changes were made to the regulations governing low level flying and simulated attacks on Benbecula airfield following the incident involving a United States Air Force F-111 on 12 September 1983.

Mr. Freeman: No such amendment has been considered necessary.

Air-Sea Rescue

Mr. Nicholas Bennett: To ask the Secretary of State for Defence what factors are being taken into account in his review of the future location of Royal Air Force and Royal Navy air-sea rescue detachments.

Mr. Freeman: The review is being conducted by the Ministry of Defence in consultation with the Department of Transport, and is taking into account both the military search and rescue requirement and the needs of civil search and rescue, as recommended by the helicopter coverage group.

RAF Leuchars

Mr. Menzies Campbell: To ask the Secretary of State for Defence what instructions have been given to the officers and men of the search and rescue squadron based at RAF Leuchars in connection with the redeployment of the squadron.

Mr. Freeman: No such instructions have been issued. I refer the hon. Member to my answer of 20 April 1988, at column *504*.

European Fighter Aircraft

Mr. Lawrence: To ask the Secretary of State for Defence whether the four nations memorandum of understanding (MOU) for full development of the European fighter aircraft has yet been signed; and if he will make a statement.

Mr. Younger: I am pleased to confirm that the memorandum of understanding for the development phase of the European fighter aircraft (EFA) programme was signed in Bonn today by Germany, Italy and the United Kingdom. The signature of Spain is expected as soon as Spanish Government processes have been completed.

As I told the House on 25 April, at column 22, EFA will fulfil a vital defence need in the best and most cost-effective way. It will continue the trend of successful European collaboration in aerospace. It will ensure that our industry remains in the forefront of this technology to the end of the century and beyond, while ensuring the best possible value for money for the taxpayer.

TRANSPORT

Motorways

2. **Mr. John Marshall:** To ask the Secretary of State for Transport what is the value of the motorway schemes in the national road programme in relation to the total value of the programme.

Mr. Peter Bottomley: Thirty-four motorway schemes are under construction or in preparation at a value of more than £1,150 million compared with a total value for the national road programme of £5 billion.

32. **Mr. Page:** To ask the Secretary of State for Transport what proportion of motorways under construction form part of the total mileage of trunk roads under construction.

Mr. Peter Bottomley: Almost one quarter of the total trunk road mileage under construction is motorway.

Safety at Sea

8. **Mr. Battle:** To ask the Secretary of State for Transport if his Department has conducted any research on the effect of competition on passenger safety at sea; and if he will make a statement.

17. **Mr. Galloway:** To ask the Secretary of State for Transport what is his latest assessment of the implications of competition with the Channel tunnel for the level of passenger safety standards on ferries.

Mr. Channon: Research of the kind suggested would not be fruitful, since passenger safety must always remain an overriding priority, whilst competition is aimed at improving efficiency and service to customers.

19. **Mr. Hinchliffe:** To ask the Secretary of State for Transport what assessment he has made of the implications of competition for standards of passenger safety at sea.

Mr. Channon: None. Work of this kind would not be fruitful, since passenger safety must always remain paramount, while competition is aimed at improving efficiency and service to customers.

30. **Mr. Dykes:** To ask the Secretary of State for Transport what representations he has received from the public concerning the implications for passenger safety of the Dover ferries dispute between National Union of Seamen members and the P and O company.

Mr. David Mitchell: I have received a number of representations from hon. Members and members of the public since this dispute began. Most of these in fact related to the working arrangements for officers, who are represented by Numast, rather than to the NUS dispute itself. Since P and O and Numast reached agreement on new working arrangements some weeks ago, I have had very few representations on the dispute or on safety questions.

Air Traffic Control

9. **Mr. Clelland:** To ask the Secretary of State for Transport what assessment he has made of the capacity of United Kingdom air traffic control to keep pace with air traffic in United Kingdom air space throughout the next 10 years.

Mr. Peter Bottomley: The Civil Aviation Authority, which is responsible jointly with the Ministry of Defence for the planning and provision of air traffic services, is currently working on an assessment of air space capacity and the options for dealing with the expected demand.

Light Rail Public Transport Services

15. **Mr. Litherland:** To ask the Secretary of State for Transport what is his policy towards providing subsidies for fares on light rail public transport services.

Mr. David Mitchell: The Government's policy towards providing subsidies for light rail service is set out in their recent response to the third report of the Transport Select Committee on the financing of rail services. Broadly, the Government expect users to pay through fares the benefit they receive from rail services, but subsidies may be payable to reflect external benefits which cannot be captured through revenues.

Fares

16. **Mr. Ingram:** To ask the Secretary of State for Transport what is his policy towards the setting of fare levels for public transport services.

Mr. David Mitchell: The setting of fares is a matter for the operators or, in the case of bus services supported by local authorities, for those authorities.

26. **Mr. Jim Marshall:** To ask the Secretary of State for Transport if he has any plans to promote reductions in bus fares; and if he will make a statement.

Mr. David Mitchell: Bus fares are a matter for the operators concerned. The competition successfully introduced by deregulation has reduced operators' costs, which should help contain increases in fares.

27. **Mr. Bradley:** To ask the Secretary of State for Transport what is his latest information on the level of public transport fares in passenger transport authority areas.

Mr. David Mitchell: As I stated in reply to the hon. Member for St. Helens, North (Mr. Evans) on 12 May, the average fare per journey for adult single local bus tickets in the financial year 1986-87 was some 33p in the metropolitan areas. Comparable data for rail fares in the metropolitan areas are not available.

31. **Mr. Gareth Wardell:** To ask the Secretary of State for Transport what is his latest information about fare levels for local bus services.

Mr. David Mitchell: I refer the hon. Member to the answer which I gave on Thursday 12 May to the hon. Member for St. Helens, North (Mr. Evans) at columns *236-7*.

39. **Mr. Doran:** To ask the Secretary of State for Transport if he has any plans to promote reductions in rail fares; and if he will make a statement.

Mr. David Mitchell: Within the overall framework of objectives the Government have set it, it is for British Rail to decide what level of fares to charge for its services. I would not normally expect it to reduce fares unless it improved its financial performance. Our general policies on subsidies for rail services are set out in the Government's observations on the third report of the Transport Select Committee (House of Commons Paper 420, Annex C).

43. **Mr. McFall:** To ask the Secretary of State for Transport what is his latest information about trends in public transport fares.

Mr. David Mitchell: The latest available data on fares on local buses are given in table 2.35 of Department of Transport statistics bulletin (88)29: "Bus and Coach Statistics Great Britain 1986-87" and for trains they are given in the last columns of tables 6 and 7 of Department of Transport statistics bulletin (88)13: "Quarterly Transport Statistics". Copies of both publications are in the Library of the House.

Rail Electrification

20. **Mrs. Gillian Shephard:** To ask the Secretary of State for Transport how many rail electrification schemes have been approved by Her Majesty's Government since 1983.

Mr. David Mitchell: Since 1983 the Government have approved seven electrification schemes, worth over £500 million. In addition the Government have approved a

package of Channel tunnel-related investment including some £30 million of electrification work. British Rail has itself approved a further nine smaller schemes.

Nottingham-Bulwell-Mansfield Railway

21. **Mr. Allen:** To ask the Secretary of State for Transport what representations he has received with regard to the re-opening of the railway line from Nottingham through Bulwell to Mansfield.

Mr. David Mitchell: I refer the hon. Member to the answer which I gave him on 14 January 1988, at columns 358-59. Since that time my right hon. Friend has received two further representations, from Nottinghamshire county council and from a member of the public.

Air Passengers (Compensation)

22. **Mr. Maxwell-Hyslop:** To ask the Secretary of State for Transport when the limits on damages which passengers on international scheduled flights can receive for death or injury pursuant to the Hague protocol to the Warsaw convention were last revised; and whether he will approach the co-signatories to secure agreement that these limits should be indexed annually in accordance with some parameter of value.

Mr. Peter Bottomley: The latest amendments to the Warsaw convention — the Montreal protocols — were drawn up in 1975, and would raise the compensation limit to about £79,000. The protocols require 30 ratifications to bring them into force. So far only eight countries, including the UK, have ratified, and we are doing all we can to persuade other states to follow suit. These protocols provide for limited inflation increases of the liability limits.

Central London (Cars)

23. **Ms. Abbott:** To ask the Secretary of State for Transport what plans he has to restrict the number of cars coming into central London; and if he will make a statement.

Mr. Peter Bottomley: Our policy on traffic management in London is set out in circular 2/87.

Glasgow Airport

24. **Mr. David Marshall:** To ask the Secretary of State for Transport what plans he has to allow intercontinental and long-haul flights to land and take off at Glasgow airport, Abbotsinch.

Mr. Peter Bottomley: The policy for the Scottish Lowlands airports remains that set out in the 1985 White Paper "Airports Policy" (Cmnd. 9542): that intercontinental and long-haul flights are only exceptionally allowed to use Glasgow and Edinburgh airports, but that this policy will be reviewed if Prestwick airport's financial results have not shown a steady improvement by 1989.

Personal Stereos

25. **Mr. Atkinson:** To ask the Secretary of State for Transport if he will make a statement on the outcome of his studies on the road safety implications concerning users of personal stereos.

Mr. Peter Bottomley: A Transport and Road Research Laboratory hospital-based study of cycling accidents revealed no instances when the use of personal stereos have been a contributory factor in any of the accidents. All road users — and vulnerable ones in particular — should make sure they are able to concentrate fully on driving or riding. They should avoid unnecessary sources of distraction.

Rear Seat Belts

28. **Mr. Janner:** To ask the Secretary of State for Transport whether he will introduce legislation to require rear seat belts to be installed in all new passenger cars.

Mr. Peter Bottomley: The Road Vehicle (Construction and Use) Regulations were amended in 1986 to require all cars first used from 1 April 1987 to be fitted with adult seat belts or child restraints of an approved type.

Rear seat belt anchorages have been obligatory on all new cars first used from 1 April 1982.

The seat belt amendment Bill introduced by my hon. Friend the Member for Cheadle (Mr. Day) was given its Third reading on Friday 13 May.

British Rail

29. **Mr. Martyn Jones:** To ask the Secretary of State for Transport when he next expects to meet the chairman of British Rail; and what subjects he expects to discuss.

37. **Mr. Ray Powell:** To ask the Secretary of State for Transport when he next expects to meet the chairman of British Rail; and what subjects he expects to discuss.

Mr. David Mitchell: I refer the hon. Members to the answer my right hon. Friend gave the hon. Members for Swansea, East (Mr. Anderson) and for Crewe and Nantwich (Mrs. Dunwoody) earlier today.

North Report

33. **Mr. Boyes:** To ask the Secretary of State for Transport what representations he has received seeking changes in his policy for road safety following the publication of the North report on road traffic law.

Mr. Peter Bottomley: The North report has generated a considerable amount of interest. We welcome public reaction to the recommendations. We are pressing ahead with our consideration of the recommendations as quickly as possible. We shall report to the House on our progress before the summer recess.

Road Pricing

34. **Mr. Corbyn:** To ask the Secretary of State for Transport what is Her Majesty's Government's policy towards introducing road pricing in London; and if he will make a statement.

Mr. Peter Bottomley: Road pricing is an interesting idea. It raises practical issues. There are currently no plans to introduce it in London.

Public Transport (Women)

36. **Mrs. Ray Michie:** To ask the Secretary of State for Transport what consideration his Department has given to the special needs of women using public transport.

Mr. David Mitchell: In their formulation of policy towards public transport the Government have well in mind the importance of bus and rail services to women, who have, in general, less access to private cars and greater fears for their personal safety.

Civil Aviation Safety

38. **Mrs. Clwyd:** To ask the Secretary of State for Transport what recent representations he has received about standards of civil aviation safety in the United Kingdom.

Mr. David Mitchell: My right hon. Friend receives from time to time representations from various sources about the standards of civil aviation safety in the United Kingdom. These are normally referred to the Civil Aviation Authority, the body responsible for civil aviation safety regulation.

Railway Stations, Cornwall

40. **Mr. Matthew Taylor:** To ask the Secretary of State for Transport what representations he has received from the transport users' consultative committee concerning the state of repair of railway stations in Cornwall.

Mr. David Mitchell: None. But I understand that it has put some proposals to British Rail.

Coaches (Vehicle Excise Duty)

41. **Mr. Yeo:** To ask the Secretary of State for Transport what recent representations he has received regarding the level of evasion of the vehicle excise duty paid in respect of coaches.

Mr. Peter Bottomley: No recent representations have been made on the extent of evasion of the duty payable on coaches. The national survey of VED evasion in 1984 did not identify coaches as a source of significant revenue loss. We are not aware of evidence to suggest that evasion among this vehicle group is exceptional.

Severn Bridge

42. **Mr. Roy Hughes:** To ask the Secretary of State for Transport if he will make a statement on progress on the current repairs on the Severn bridge and the likely completion date; and what is the latest estimated final cost.

Mr. Peter Bottomley: Work is currently in progress on the supply of new hangers for the suspension bridge, for the major strengthening works on the crossing and for protection of river piers. Resurfacing work is expected to start next year. The programme for completion of all works by the end of 1990 remains on target. The current estimate for the whole scheme is £56 million.

Traffic Flows (London)

44. **Mr. Harry Greenway:** To ask the Secretary of State for Transport what is his assessment of the level of congestion and speed of traffic flows on roads in London for which he is responsible; and what equivalent information he has for five and 10 years ago, respectively; and if he will make a statement.

Mr. Peter Bottomley: The latest information is for the period 1983 to 1986 when the average speed of traffic on trunk roads in London is estimated to have been 34 kph (21 mph) in the morning peak period, 46 kph (29 mph) in the daytime off-peak period and 37 kph (23 mph) in the evening peak period. A new survey of average traffic speeds on the strategic London road network of trunk and designated roads is now in progress. Results are expected in the late summer.

Equivalent information for five and 10 years ago is not available, but estimates of traffic speeds on a category of roads called primary roads, as defined in the Greater London development plan, were published by the Greater London council. The GLC's network of primary roads contained a high proportion of roads in common with London's trunk road network prior to 1 April 1986. Results over the requested period are as follows:—

Average traffic speeds on primary roads
Kilometres per hour[1]

Time of day	*Survey period* 1977-79	1980-82	1983-86
Morning peak period (7am-10am)	36·8(23·0)	41·9(26·2)	39·8(24·9)
Daytime off-peak period (10am-4pm)	56·8(35·5)	58·1(36·3)	58·4(36·5)
Evening peak period (4pm-7pm)	43·5(27·2)	47·7(29·8)	44·2(27·6)

[1] Figures in brackets denote speeds in miles per hour.

Tourist Buses (Central London)

45. **Mr. Soames:** To ask the Secretary of State for Transport what representations he has received about the implications for traffic congestion of the parking of tourist buses in central London; and if he will make a statement.

Mr. Peter Bottomley: Very few. Primary responsibility for the parking of tourist coaches lies with the local authorities and the operators. We keep a close watch on the position. The code of practice recently launched by the Bus and Coach Council will encourage better parking.

Civil Air Traffic

46. **Mr. John Hughes:** To ask the Secretary of State for Transport what increase in United Kingdom civil air traffic he expects during the next two years.

Mr. Peter Bottomley: The information is not available in the precise form requested. The last Department of Transport forecasts, published in 1986, estimated United Kingdom demand for air travel in 1990 in the range 83·2 to 98·9 million passengers per annum. The Department is currently working on new forecasts which are expected to be published before the end of the year.

Channel Tunnel

47. **Mr. Mullin:** To ask the Secretary of State for Transport whether he has any plans to fund the development of rail freight interchanges in the north-east, in preparation for the opening of the Channel tunnel.

Mr. David Mitchell: I am prepared to authorise any commercially worthwhile investment by British Rail related to the Channel tunnel, but direct financial assistance from the Government is ruled out by section 42 of the Channel Tunnel Act. Investment in privately owned interchange facilities may qualify separately for grants where there are clearly measurable environmental benefits.

Manchester Airport

48. **Mr. Pike:** To ask the Secretary of State for Transport what recent representations he has received from Manchester airport about the airport's future; and if he will make a statement.

Mr. Peter Bottomley: A number of representations have been received about transatlantic services. The Government made clear in the 1985 White Paper "Airports Policy" that it is committed to the justified development of Manchester and other regional airports.

London Transport Strategies

49. Mr. Bernie Grant: To ask the Secretary of State for Transport if he has received the report on transport strategies for London from the London planning advisory committee; and if he will make a statement.

Mr. David Mitchell: No.

London Air Traffic Control Centre

50. Mr. Ron Davies: To ask the Secretary of State for Transport when he last visited the London air traffic control centre; and what was the purpose of his visit.

Mr. Peter Bottomley: My right hon. Friend visited the centre on 19 February to see the important work which is done there.

London Underground (Staffing)

51. **Mr. Foulkes:** To ask the Secretary of State for Transport if he will meet the chairman of London Regional Transport to discuss the reduction of full-time cleaning staff on the London Underground subsequent to the King's Cross fire disaster.

52. **Ms. Armstrong:** To ask the Secretary of State for Transport if he has discussed with the chairman of London Regional Transport the programme of cuts in station staff now being implemented on the London Underground; and if he will make a statement.

Mr. David Mitchell: London Regional Transport has kept me informed of developments following the fire at King's Cross and I meet the chairman of London Regional Transport from time to time as the need arises. However, staffing levels are for London Regional Transport to determine in the light of their statutory duty to have due regard to safety, efficiency and economy of operation.

North Devon Link Road

53. **Mr. Speller:** To ask the Secretary of State for Transport on what date he expects the north Devon link road to be completed; how much it will have cost; and how many properties have been demolished along the route from Tiverton to Barnstaple.

Mr. Peter Bottomley: We expect the north Devon link road to be completed about the middle of next year. It will have cost some £63 million to construct between the M5 and Barnstaple. By completion seven properties will have been demolished between Tiverton and Barnstaple.

Rail Services (Subsidy)

Mr. McTaggart: To ask the Secretary of State for Transport what has been the annual subsidy for rail services in each of the last five years for (a) the United Kingdom, (b) France, (c) Germany, (d) Italy, (e) Holland and (f) Denmark.

Mr. David Mitchell: Figures for Government support for British Rail since 1983 are given below. The figures include grant in compensation for the passenger obligation under EEC Regulation 1191/69 (section 39 of the Railways Act 1974 and section 56 of the Transport Act 1981) and grant in respect of EEC Regulation 1192/69.

	£ million
1983	873·0
1984-85	1,088·9
1985-86	839·7
1986-87	733·4
1987-88	815·6

1984-85 is a 15-month period reflecting a change in the British Railways Board financial year. The figures for 1985-86, 1986-87 and 1987-88 remain provisional; final claims have not been agreed. All figures are cash.

The most recent information available to the Department on the revenues, costs and public subsidy levels of the European Community's railway systems is contained in the eighth Commission report on the transposed annual accounts of railway undertakings for 1984 (COM(87)311 final). A copy of this and of the transposed annual accounts for 1983 (COM(86)353 final) are in the Library of the House. There are substantial variations between countries in accounting systems and in the arrangements for financial support, so the figures contained in the report only provide a broad comparison.

London Docklands (Rail Services)

Mr. Cohen: To ask the Secretary of State for Transport if he will assess the relative costs of developing existing railway facilities from north-east London to docklands to integrate the service with the docklands light railway system as against other proposed methods of relieving congestion on the Central line; and if he will make a statement.

Mr. David Mitchell: Various possibilities for developing railway facilities from north-east London to Docklands are being considered by London Regional Transport in conjunction with the London Docklands Development Corporation and British Rail as part of a study of a public transport strategy for Docklands. Any proposals made will take into account the implications for the rest of the public transport network and the work being done in the Central London rail study, in which the Department is participating with London Regional Transport and British Rail.

Mr. Cohen: To ask the Secretary of State for Transport what estimates have been made of the cost of the proposed docklands light railway extension to south of the Thames.

Mr. David Mitchell: London Regional Transport and the London Docklands Development Corporation are examining the possibility of an extension of the Docklands light railway in some detail as part of their study of a public transport strategy for Docklands. A firm estimate of the cost of such an extension is not yet available.

Civil Air Traffic

Mr. Murphy

Mr. Peter Bottomley

and 109.4 mppa in 2000. On a lower economic growth scenario the forecasts were 83.2, 98.1 and 113.8 mppa respectively. We expect to publish new forecasts towards the end of the year.

Dangerous Goods

Mr. Flynn: To ask the Secretary of State for Transport what representations he has received on the problems in Holland and Germany arising from the level of training of British drivers of trucks loaded with explosives.

Mr. Peter Bottomley: There have been occasional representations about the practice in United Kingdom not to issue a special certificate for drivers trained in explosives work.

We have been discussing with the CBI and the Health and Safety Executive the development of an approved national training scheme for drivers of vehicles carrying explosives. This will give them a certificate and will be used to negotiate reciprocal recognition with the authorities in the Netherlands and the Federal Republic of Germany.

Mr. Flynn: To ask the Secretary of State for Transport what representations he has received from Mr. Ian Rycroft, transport director of EC Transport, Dorset, calling for the United Kingdom authorities to design and authorise a course of instructions acceptable to other contracting states of the ADR agreement on international carriage of dangerous goods by road.

Mr. Peter Bottomley: A telex message.

Mr. Flynn: To ask the Secretary of State for Transport if he intends to bring the regulations on the transport of ammunition by road up to the standards of the ADR agreement on international carriage of dangerous goods by road.

Mr. Peter Bottomley: The United Kingdom is a signatory of the ADR agreement and is involved in keeping it up to date.

I explained to the hon. Member on 18 April that we intend to make the Road Traffic (Carriage of Explosives) Regulations later this summer. These regulations will be in line with the revised ADR provisions covering the carriage of explosives by road that are due to come into effect from 1 January 1990. Both will be more comprehensive than the current ADR provisions.

Mr. Flynn: To ask the Secretary of State for Transport what information he has as to the extent to which the authorities in Holland and Germany provide additional locally trained drivers on British trucks carrying explosives in their countries because of the level of training of United Kingdom drivers.

Mr. Peter Bottomley: In the Netherlands and the Federal Republic of Germany such a requirement is imposed upon foreign vehicles carrying explosives, notwithstanding the existence of the international road transport agreement, ADR.

Offshore Installations (Standby Vessels)

Mr. David Porter: To ask the Secretary of State for Transport when he expects to place before Parliament proposals to amend the practice contained in the document "Assessment of the Suitability of Standby Vessels Attending Off-Shore Installations"; and if he will make a statement.

Mr. David Mitchell: Following earlier consultations a revised draft of the amendments was circulated to interested organisations for further comment. Officials are now studying the replies that have been received. Compliance with the recommendations in the document is voluntary and it is essential that its terms are acceptable to all concerned.

As a non-statutory code it does not need to be placed before Parliament but I will arrange for copies to be deposited in the Library when the document is finalised.

Saltash Bypass

Mr. Hicks: To ask the Secretary of State for Transport if he will state the reasons for the delay in the opening of the Saltash bypass; what action he proposes taking to minimise this delay; and what is the new projected date for the completion of the bypass.

Mr. Peter Bottomley: The contract for the construction of Saltash bypass was originally due to be completed by the end of July. Work has taken longer than anticipated because of unexpected construction difficulties. We are pressing the contractors to complete the works as quickly as possible. We hope to open the bypass before the end of the summer. In the meantime, we are considering whether any special steps can be taken to reduce delays during peak holiday traffic periods.

Nuclear Waste

Mr. Graham: To ask the Secretary of State for Transport what plans there are to fly nuclear waste out of Glasgow airport; and what discussions are proposed with local authorities on this matter.

Mr. Peter Bottomley: There are no such plans.

Associated British Ports (No. 2) Bill

Mr. Barron: To ask the Secretary of State for Transport when he last met the chairman of Associated British Ports; whether he discussed the Associated British Ports (No. 2) Bill; and if he will make a statement.

Mr. David Mitchell: In the debate on the Associated British Ports (No. 2) Bill on 11 May I explained to the hon. Member that I had not met the chairman of Associated British Ports in respect of the Bill and, further, that I had no knowledge of whether any other Minister or officials in the Department of Transport had done so.

Subsequent inquiries show that some months ago, on 24 February my right hon. Friend the Secretary of State met the chairman of Associated British Ports, and their discussion did indeed cover the (No. 2) Bill.

Bristol Channel

Mr. Speller: To ask the Secretary of State for Transport how many cases have been reported in each of the last five years of ships cleaning their tanks or discharging ships' refuse into the Bristol channel; how many prosecutions have been brought; and if he will make a statement.

Mr. David Mitchell: It is not in itself an offence for ships to clean their tanks in the Bristol channel, or, at present, to discharge ships' garbage into the sea although regulations on this are being prepared. A discharge into the sea of oil or other noxious liquid substances after tank cleaning would be an offence. The numbers of sightings of oil or noxious liquid substances in the Bristol channel reported to the marine pollution control unit are as follows:

	Number
1985	0
1986	0
1987	3
[1]1988	3

[1] To date.

Earlier figures are not readily available as none of the reports identified a particular ship as being responsible for the discharge no prosecution could be brought.

Cherished Number Plates

Mr. Stern: To ask the Secretary of State for Transport if he has any proposals to ease the transfer of cherished number plates; and if he will make a statement.

Mr. Peter Bottomley: We propose to reduce from five years to one the period that owners of stolen vehicles with a cherished number have to wait before they can use the number again. Details will be given to those able to benefit once work is completed on devising the most cost-effective implementation scheme. My right hon. Friend the Secretary of State has recently announced a consultation exercise on proposals for the Government to sell registration numbers not in use. This would make acquiring attractive numbers much easier.

Written Answers to Questions

Tuesday 17 May 1988

PRIME MINISTER

UK-EEC (Balance of Trade)

Q21. **Mr. Teddy Taylor:** To ask the Prime Minister if she will raise at the next meeting of the European Council the growing imbalance in manufacturing trade between the United Kingdom and the EEC; and if she will make a statement.

The Prime Minister: No. The EC is our largest market which takes about half of our exports. The removal of remaining barriers to trade by 1992 will offer British exporters a single market of over 320 million people. The Government are encouraging British business to prepare itself to take full advantage of this.

Turkey (Human Rights)

Q100. **Mr. Flynn:** To ask the Prime Minister if Her Majesty's Government have received any request from the Soviet Union for human rights violations in Turkey to be considered in future international arms reductions negotiations; and if she will make a statement.

The Prime Minister: No.

Retirement Pension

Q121. **Sir David Price:** To ask the Prime Minister what representations she has received seeking the introduction of measures to ensure equal treatment for men and women in respect of the age of eligibility for the basic state retirement pension; what response she has made; and if she will make a statement.

The Prime Minister: I receive such representations from time to time, most recently from the Campaign for Equal State Pension Ages. My noble Friend the Parliamentary Under-Secretary of State for Health and Social Security has today replied to the campaign.

Abortion (Amendment) Bill

Q168. **Miss Widdecombe:** To ask the Prime Minister what representations she has received with respect to allowing parliamentary time for completion of the Abortion (Amendment) Bill.

Q169. **Mr. McLoughlin:** To ask the Prime Minister what representations she has received with respect to the allocation of parliamentary time for completion of the Abortion (Amendment) Bill.

Mr. Alton: To ask the Prime Minister what representations she has received with respect to the allocation of parliamentary time for completion of the Abortion (Amendment) Bill.

The Prime Minister: I have received many such representations, including some from hon. Members.

Engagements

Mr. Tony Lloyd: To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

Mrs. Virginia Bottomley: To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

Mr. Wareing: To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

Mr. Cran: To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

Mr. Harry Greenway: To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

Mr. Stern: To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

Mr. Pike: To ask the Prime Minister if she will list her official engagements for Tuesday 17 May.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen.

ATTORNEY-GENERAL

Racism (Prosecutions)

Mr. Harry Greenway: To ask the Attorney-General how many successful prosecutions there have been for incitement to racial hatred in *(a)* the past 20 years and *(b)* the past five years; and if he will make a statement.

The Attorney-General: Since 1979 there have been 43 successful prosecutions for incitement to racial hatred. Of these, 16 successful prosecutions have occurred in the past five years. The figures in respect of prosecutions prior to 1979 are not kept separately and could be discovered only at disproportionate cost.

Extraditions (Irish Republic)

Mr. Stanbrook: To ask the Attorney-General what undertakings as to additional prosecutions against persons extradited from the Irish Republic for alleged political offences and as to the application of the speciality rule have been given to the Government of the Irish Republic following its accession to the European convention on the suppression of terrorism.

The Attorney-General: No such undertakings have been given to the Government of the Irish Republic following the entry into force of the Irish Extradition (European Convention on the Suppression of Terrorism) Act 1987.

DEFENCE

Chemical Weapons (Animal Rights)

Mr. Boyes: To ask the Secretary of State for Defence whether the issue of animal rights in relation to chemical weapons experiments will be discussed with the Soviet delegation visiting Porton Down chemical defence establishment later this month.

Mr. Ian Stewart: I have nothing to add to the reply I gave to my hon. Friend the Member for Hertfordshire, South-West (Mr. Page) on 5 May at columns *544-45*.

Exercise Flintlock

Mr. Cohen: To ask the Secretary of State for Defence what military facilities in the United Kingdom were used by, or in support of, United States special forces units participating in the recent Flintlock exercise; what was the purpose of this exercise, and if he will make a statement.

Mr. Ian Stewart: Exercise Flintlock which is an annual exercise designed to provide mutually beneficial training for allied personnel in airborne operations, communications and ground tactical operations, is still in progress. In line with long-standing practice, elements of the United States armed forces have been deployed this year to RAF Sculthorpe, RAF West Raynham, RAF Watton and to the military training area at Stanford.

Cruise Missiles

Mrs. Fyfe: To ask the Secretary of State for Defence whether he will inform the House of any agreement made so far at his meetings with North Atlantic Treaty Organisation colleagues concerning the deployment of sea-launched cruise missiles.

Mr. Ian Stewart: Consideration of nuclear force adjustment options is continuing within NATO; Ministers have taken no specific procurement or deployment decisions.

RAF Hawk (Crash)

Mr. Nicholas Bennett: To ask the Secretary of State for Defence if he will make a statement on the crash of an RAF Hawk trainer plane near Newgale, Pembrokeshire, on Friday 13 May.

Mr. Freeman: I refer my hon. Friend to my letter to him dated 13 May.

Deployment Outback 88

Mr. Thurnham: To ask the Secretary of State for Defence whether the ships of the Royal Navy task group deployment Outback 88 will exercise with the Brunei armed forces during their visit to Brunei.

Mr. Freeman: Yes. Ships from the RN task group will take part in a combined tri-service exercise, Setia Kawan, with elements of the Royal Brunei armed forces. In addition to the P.N ships, the United Kingdom forces taking part will comprise a brigade headquarters, a battalion group from Hong Kong and the Gurkha battalion stationed in Brunei, as well as RAF air transport aircraft.

Gibraltar (Shootings)

Mr. Madden: To ask the Secretary of State for Defence (1) if he will permit British service personnel invited to give evidence to the Gibraltar coroner at the inquest into the killings of Irish Republican Army members to give evidence; and if such personnel will be legally represented;

(2) how many British service personnel have been interviewed on behalf of the Gibraltar coroner prior to the inquest into the recent killings of Irish Republican Army members; where those personnel were interviewed; and where they are stationed;

(3) what contact the Gibraltar coroner conducting an inquest into the killings of Irish Republican Army members has had with him; what information the coroner has sought about British service personnel; and if the coroner has sought permission to interview such personnel or to require such personnel to give evidence at the inquest.

Mr. Ian Stewart *[holding answer 12 May 1988]:* The Ministry of Defence will co-operate with the coroner's inquest. Any interested parties in a coroner's court may be legally represented if they wish. I refer the hon. Member to the reply I gave to the hon. Member for Linlithgow (Mr. Dalyell) on 5 May at column *544*. A number of service personnel have been interviewed in the course of the police inquiries. I am not prepared to give any further details at this stage.

INF Treaty

Mr. Canavan: To ask the Secretary of State for Defence what representations he has received seeking further reduction in the number of nuclear weapons on British soil and in British territorial waters, following the ratification of INF treaty; what response he has made; and if he will make a statement.

Mr. Ian Stewart: *[holding answer 13 May 1988]:* Various groups opposed to NATO defence policy have undertaken a lobbying campaign, including the use of stock wording and bulk-produced cards, for further reductions in nuclear weapons in Britain following the INF treaty. Such representations have been acknowledged. The United Kingdom and its NATO allies are committed to maintaining a mix of adequate and effective conventional and nuclear forces in Europe in order to continue to deter aggression and maintain peace. Complementing this element of its policy, the Alliance has a clear set of further arms control priorities following the INF treaty: a 50 per cent. reduction in United States and Soviet strategic offensive weapons; an agreement covering conventional forces in Europe; and a global chemical weapons ban.

WALES

Hospital Waiting Lists (Clwyd)

Mr. Barry Jones: To ask the Secretary of State for Wales (1) what proposals he has to reduce the waiting list for non-urgent cases in Clwyd hospitals; what additional funds he will make available to the National Health Service in Clwyd; and what proposals he has to reduce the waiting list for non-urgent cases in Clwyd;

(2) what proposals he has to reduce the waiting list for *(a)* general operations, *(b)* orthopaedic operations and *(c)* ear, nose and throat treatment in Clwyd;

(3) what proposals he has to reduce the waiting list for out-patient treatment in Clwyd.

Mr. Grist: The management of waiting lists is the responsibility of the relevant district health authority. Authorities have been asked to submit to the Welsh Office revised action plans which identify the continuing problem areas and put forward solutions.

A total of £2 million has been allocated to authorities in Wales over the last two years to help them implement schemes for tackling the worst waiting list problems and a further £1 million is available in the current year. Distribution of these funds is being considered in the light of the revised action plans which have just been received.

Clwyd Health Authority

Mr. Barry Jones: To ask the Secretary of State for Wales if he proposes to meet Clwyd health authority to discuss the situation in the National Health Service; and if he will make a statement.

Mr. Grist: My right hon. Friend will be meeting all chairmen of health authorities next month.

Health Service (Gwent)

Mr. Roy Hughes: To ask the Secretary of State for Wales if he will meet the Gwent area health authority concerning the situation in the Health Service.

Mr. Grist *[holding answer 12 May 1988]:* My right hon. Friend met all health authority chairmen in November 1987 and arrangments have been made for a further such meeting to be held in June this year. In addition, he also met the chairman of Gwent, Mid Glamorgan, West Glamorgan and East Dyfed on Friday last to discuss health issues relating to the south Wales valleys.

HOME DEPARTMENT

British Broadcasting Corporation

Mr. Pike: To ask the Secretary of State for the Home Department when he last met the chairman of the British Broadcasting Corporation: and what items he discussed.

Mr. Renton: My right hon. Friend is in regular touch with the chairman of the BBC on a wide range of broadcasting matters.

Asylum

Mr. Irving: To ask the Secretary of State for the Home Department what representations he has received concerning the procedures for dealing with asylum applications at a port of entry, proposed by the British Refugee Council in January; and if he will make a statement.

Mr. Renton: The British Refugee Council produced a code of practice for port asylum applications last November. This was discussed at a meeting I held with a delegation from the BRC on 7 December 1987. Much of the code is consistent with our existing practice, but the Government cannot accept its proposal of an appeal system in port cases.

Mr. Irving: To ask the Secretary of State for the Home Department what was the breakdown of the nationalities of the 23,000 people refused leave to enter the United Kingdom at ports in 1986; in what capacity they sought leave to enter the United Kingdom; and how many subsequently applied for asylum.

Mr. Renton: A total of 23,100 passengers (excluding European Community nationals) were refused leave to enter and removed from the United Kingdom during 1986. Their nationalities are given in table 1 of "Control of Immigration: Statistics, United Kingdom 1986" (Cm 166) copies of which are in the Library. No information is available centrally about the basis on which these passengers sought leave to enter, or of the numbers who subsequently applied for asylum, and such information could be obtained only at disproportionate cost.

Sri Lankan Tamils

Mr. Irving: To ask the Secretary of State for the Home Department how many Sri Lankan Tamils have been refused entry to the United Kingdom after being refused asylum during the past 12 months; to which countries they were removed; and if he will make a statement.

Mr. Renton: The information requested is not available centrally. Statistics of the total numbers of grants and refusals of refugee status by nationality are published annually in the Home Office statistical bulletins "Refugee Statistics: United Kingdom", 13/87 for the 1986 edition, copies of which are available in the Library. The bulletin for 1987 should be available early next month.

Police National Computer

Mr. Cohen: To ask the Secretary of State for the Home Department what discussions he has held with the Data Protection Registrar in relation to the new police national computer.

Mr. Douglas Hogg: The replacement police national computer will initially hold only the information held on the current system, and no further discussions with the Data Protection Registrar are necessary. The registrar will be consulted when plans for new applications are further advanced.

Crime Clear-up Rates

Mr. Nicholas Bennett: To ask the Secretary of State for the Home Department which police forces in England and Wales have the highest and lowest crime clear-up rates, respectively, in the latest year for which figures are a available.

Mr. Douglas Hogg: I refer my hon. Friend to the reply given to the hon. Member for Pontypridd (Mr. John) on 11 May at column *116*.

Taxi Drivers (Protection)

Mr. Sheerman: To ask the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis as to the steps he is taking to provide adequate protection for taxi drivers against attacks by members of the public; and if he will make a statement.

Mr. Douglas Hogg: I am informed by the Commissioner of Police of the Metropolis that he considers that the presence of a partition between the driving position and the passenger compartment in a licensed taxi provides a considerable degree of protection from assault. Later models also have a central locking facility for all doors. A Department of Transport standing committee is considering the problem of violence towards road transport staff. The police are represented on that committee and an invitation has been extended to the taxi trade to take part in its deliberations

Detention

Mr. Holland: To ask the Secretary of State for the Home Department (1) what provisions are made for people applying for asylum whose claims of torture have been substantiated but who are still being kept in detention;

(2) if he will make a statement on the criteria used for the detention of children under the Immigration Act powers;

(3) what provisions have been made for children at Harmondsworth and other detention centres;

(4) what provisions are made for pregnant women at Harmondsworth and other detention centres.

Mr. Renton: All detention is kept to a minimum. Family groups including children or children travelling alone are detained, like others, only when they are unlikely to respect the terms of temporary admission or until alternative arrangements can be made. In the case of children travelling alone, the practice is for such arrangements to be made through social service departments of local authorities. Both family accommodation and separate rooms under suitable supervision are available.

Medical advice is routinely sought when women are known to be pregnant. Surgeries are held daily at Harmondsworth, and provisions exist for medical consultation there and elsewhere at any time. Female members of staff are specifically entrusted with the care and welfare of women and children.

Where it is found necessary to maintain detention in the case of a person whose claim of torture had been substantiated, medical help is of course available whenever needed, as it is for all detainees.

Channel Ferries (Dispute)

Mr. Austin Mitchell: To ask the Secretary of State for the Home Department how many persons have been charged from 1 May to date for *(a)* obstructing and *(b)* conspiring to obstruct the loading of passengers and freight on to the Channel ferries at Dover.

Mr. Douglas Hogg: I understand from the chief constable of Kent that, up to 16 May, one person had been charged with obstruction of the public highway. Any alleged case of obstruction within the docks area is a matter for the Dover harbour board.

Extradition

Mr. Stanbrook: To ask the Secretary of State for the Home Department if it is proposed to introduce legislation to amend existing extradition arrangements with the Irish Republic in response to the changes made recently by the Irish Republic.

Mr. John Patten: We have no plans at present to do so.

Mr. Stanbrook: To ask the Secretary of State for the Home Department (1) how many persons extradited from the Irish Republic to *(a)* Great Britain and *(b)* Northern Ireland, respectively, since the passing of reciprocal legislation by the United Kingdom an the Irish Republic in 1965 have not been subsequently prosecuted;

(2) how many person extradited from the Irish Republic to the United Kingdom under the terms of the Backing of Warrants (Republic of Ireland) Act 1965 have been subsequently acquitted as a result of insufficient evidence.

Mr. John Patten: I regret that this information is not collected centrally, and could be obtained only at disproportionate cost.

Mr. Makerd Rajaran Abhyankar

Mr. Teddy Taylor: To ask the Secretary of State for the Home Department if he will take steps to accelerate the consideration of the nationality application of Mr. Makerd Rajaran Abhyankar of 8 Argyle road, London, N18, in the light of the need of his employers, Messrs. Amstrad plc of Southend, to use his engineering skills in Europe, details of which have been sent to him.

Mr. Renton: I have not yet received the details referred to by my hon. Friend but Mr. Abhyankar's request for priority will be considered when we receive it. However, I must point out that we have over 268,000 outstanding citizenship applications in the Home Office and we are unable to give priority except in urgent compassionate circumstances, where naturalisation is necessary for an applicant's job, or where he needs to travel urgently for his career or business and cannot obtain documentation from his own authorities.

Passports

Mr. Patnick: To ask the Secretary of State for the Home Department which countries have so far agreed to accept travellers using expired United Kingdom passports or British visitors passports under the emergency arrangements announced on 31 March to help reduce delays at the passport offices; what is the extent of the present delays; and if he will make a statement.

Mr. Renton: The information requested is given in the tables.

Countries accepting uncancelled United Kingdom passports expired within the last five years and British Visitor's Passports

Country	Period of Acceptance From	To	Comments
United States of America	15 April 1988	15 June 1988	Visas required
Hong Kong	1 April 1988	30 September 1988	
Bahamas	1 April 1988	30 September 1988	
Antigua and Barbuda	1 April 1988	30 September 1988	
Belgium	8 April 1988	30 September 1988	BVPs regularly accepted
Greece	1 April 1988	30 September 1988	
Luxembourg	8 April 1988	30 September 1988	
Netherlands	8 April 1988	30 September 1988	
West Germany[1]	18 April 1988	30 September 1988	
Yugoslavia	1 April 1988	30 September 1988	Visas required with BVPs

[1]Passports must show national status of British citizen or be endorsed to confirm that the holder has a right of abode in the United Kingdom.

Israel has agreed to accept expired passports (but not BVPs) up to 30 September 1988.

Delay times for correctly-completed, non-urgent passport applications

Passport office	Delay (working days)
London	51
Glasgow	33
Peterborough	30
Newport	19
Liverpool	15

At the small Belfast office, which caters only for Northern Ireland residents, a turnround time of four working days is being maintained.

Urgent applications are given priority at all the passport offices. In addition, blocks of applications are

being transferred on a regular basis from the hardest-pressed London office to Liverpool to help reduce the long delay in clearing applications posted to London.

Firearms

Sir Eldon Griffiths: To ask the Secretary of State for the Home Department whether he will now publish details of the buy-in scheme in respect of firearms whose prohibition is proposed in the Firearms (Amendment) Bill.

Mr. Douglas Hogg: The proposed "buy-in" scheme would operate for a period of three months from the date on which the relevant provisions came into force. Transitional arrangements would be introduced to allow continuing possession of the firearms involved during that period.

Payments under the scheme would be made to persons in respect of firearms which would become prohibited under the Bill and which were lawfully held by them on a firearm or shotgun certificate on or before 22 September 1987, when my right hon. Friend announced the Government's intentions in a speech to the Association of Police Superintendents. Certificate holders who acquired such firearms after that date because of a previous binding contract to purchase would also be accommodated where evidence of the contract could be produced. In addition, such holders who acquired them before and sold them after 22 September 1987 would be eligible upon production of evidence of sale.

Claimants would be required to complete a claim form obtainable from a police station or rifle or pistol club and to surrender the qualifying firearm(s). They would also have to produce the relevant firearm or shotgun certificate to the issuing police force, and police records would be noted accordingly.

We expect that most claims would be for self-loading rifles. For these, two options would be available. Claimants could apply for a fixed sum payment of £150. This figure takes account of the price which self-loading rifles of the Kalashnikov and equivalent models would have fetched at auction before my right hon. Friend's announcement of 22 September 1987. Alternatively, for the small number of firearms of considerably higher value, claimants could provide evidence of the purchase price or insurance value. Payment under this option would be 50 per cent. of the average retail value of the firearm in the summer of 1987. This formula is designed to produce the amount which in general an individual might reasonably expect to have obtained on the sale of the item at auction in the summer of 1987. Claimants who sold self-loading rifles after 22 September 1987 would be paid the difference between the sum received from the sale and the sum determined by an application under whichever of the two options were to be exercised.

In respect of all other firearms which would become prohibited, payment would be available only under the second option, and where accompanied by the relevant documentary evidence.

Any case that could not be reasonably determined by the application of these arrangements would be considered at the discretion of my right hon. Friend the Home Secretary, or in Scotland at the discretion of my right hon. and learned Friend the Secretary of State for Scotland.

We have proposed the scheme because of the unique circumstances involved: namely, that individuals would be prohibited from holding firearms which they were previously authorised to hold by the issue of a firearm or shotgun certificate and which have lost most or all of their market value. It cannot be regarded as any sort of precedent.

Sir Eldon Griffiths: To ask the Secretary of State for the Home Department whether he has any proposals for an amnesty for firearms held illegally.

Mr. Douglas Hogg: My right hon. Friends the Secretaries of State for the Home Department and for Scotland propose that an amnesty be held for one month from 1 September this year. Planning is nearing completion; further details will be announced nearer the launch date.

Broadcasting Standards Council

Mr. Knowles: To ask the Secretary of State for the Home Department what arrangements have been made to meet the expenditure of the proposed Broadcasting Standards Council.

Mr. Hurd: Parliamentary approval to this new service has been sought in the Supply Estimates for 1988-89 (Class, XI, Vote 3—HC 339). Pending that approval, urgent expenditure estimated at £130,000 will be met by a repayable advance from the contingencies funds.

Institute of Psychiatry (Experiments)

Mr. Cohen: To ask the Secretary of State for the Home Department for what reasons experiments in *(a)* food deprivation, *(b)* chronic consumption of alcohol and *(c)* brain lesions are still being conducted at the Maudsley laboratory of the institute of psychiatry; and when he expects such experiments to cease.

Mr. Douglas Hogg *[holding answer 16 February 1988]:* I wrote to the hon. Member on 19 April. Copies of the letter have been placed in the Library.

Panamanian Consulate

Mr. Tony Banks: To ask the Secretary of State for the Home Department (1) if he will call for a report from the Commissioner of Police of the Metropolis as to whether the Panamanian consulate in Tudor street, London EC4, was searched by police officers following the bomb threat made on 2 March; and if he will make a statement;

(2) if the Panamanian ambassador was consulted with regard to police officers searching the consulate premises following the bomb threat made on 2 March; and if he will make a statement;

(3) if he will call for a report from the Commissioner of Police of the Metropolis as to the nature of the response given by the security guards on the premises of the Panamanian consulate following the bomb alert, to the advice that, in accordance with normal practice, the decision as to whether the consulate should be evacuated and searched, with police assistance, rested with them;

(4) if he will call for a report from the Commissioner of Police of the Metropolis as to why people other than security guards already in the building were permitted by the police into the premises of the Panamanian consulate following the bomb threat communicated to New Scotland Yard at 11.2 pm on 2 March.

Mr. Douglas Hogg *[holding answer 17 March 1988]:* The Panamanian consulate was not searched by police officers following the bomb threat on 2 March because no request was made by the security guards on the premises for such action to be taken. The Panamanian ambassador was not consulted since it was for the security guards concerned to decide how to respond to police advice, and they subsequently elected to leave the consulate of their own volition. After the security guards had vacated the premises, a number of people who have been inside the consulate earlier that day peacefully re-entered the building using keys in their possession. The police officers who remained on duty outside the consulate had no reason on the information available to them to seek to deny entry.

Radio Surveillance Equipment

Mr. Cran: To ask the Secretary of State for the Home Department what criteria are used by his Department when determining whether to grant licences to users of radio surveillance equipment.

Mr. Butcher: I have been asked to reply.

There are three main criteria which are applied to decisions about licensing radio surveillance equipment:

(1) Does it meet the necessary equipment performance requirements laid down by the Department?
(2) Are the necessary frequencies available?
(3) Is the equipment to be used for a legal purpose?

10 Downing Street (Security)

Mr. Harry Greenway: To ask the Secretary of State for the Home Department if he has any plans further to review security at 10 Downing street; and if he will make a statement.

Mr. Hurd: Security at 10 Downing street is kept under constant review. A number of measures have been taken recently and other steps are being actively considered.

ENVIRONMENT

Vacant Land (Bristol)

Mr. Sayeed: To ask the Secretary of State for the Environment if, pursuant to his answer of 20 April, *Official Report*, column *485*, he will give details of the location and area of the 1,312 acres of vacant land owned by Bristol city council.

Mr. Trippier: The location and area of unused and underused land owned by Bristol city council are as follows:

Location	*Area in acres*
Smoke Lane, Avonmouth	15·00
Wedmore Vale, Bedminster	1·19
South-West of Kingsweston Lane, Avonmouth	19·50
North-East of Kingsweston Lane, Avonmouth	103·00
Canon's Marsh, St. Augustine's	16·40
Victoria Street, Temple	2·00
Hengrove Park, Whitchurch	3·32
Whitchurch Lane/Hawkfield Road, Hartcliffe	2·76
Whitchurch Lane, Whitchurch	13·40
St. Mary's Road/Ermine Way, Shirehampton	2·32
Grumwell Close, Shirehampton	1·12
Gatehouse Avenue, Hartcliffe	3·78
Rear of 133/203 Hazelbury Road, Knowle	1·78
Craydon Road, Stockwood	3·35
Whittock Road, Stockwood	4·10
Wharnecliffe Gardens, Whitchurch	6·86
Airport Road/Tarnock Avenue, Hengrove	1·04
Sanctuary Gardens, Sneyd Park	1·21
Northumberland House Estate, Henleaze	4·47
Frenchay Park Road, Frenchay	10·61
Bamfield/Briery Leaze Road, Whitchurch	9·44
Shaldon Road, Lockleaze	3·20
West Town Road, Avonmouth	4·10
Station Road, Shirehampton	3·95
King Road Avenue, Avonmouth	1·60
Severn Road adjoining Seabank Gasworks, Chittening	19·00
Severn Road, Chittening	33·20
Chittening Road (West) Chittening	4·30
Chittening Road (East), Chittening	24·80
Smoke Lane/Chittening Station, Chittening	10·80
St. Andrew's Road, Avonmouth	8·67
Callington Road, Brislington	5·90
Sheene Road, Bedminster	1·18
Rockingham Bridge, Avonmouth	5·00
Severn Road/Rockingham Bridge, Avonmouth	8·00
Foreshore (Chittening Wharf)	50·40
Foreshore (Stup Pill to Mitchells Pill)	50·10
Foreshore (Holesmouth)	203·00
Markham Close, Shirehampton	4·18
North of Graving Dock, Avonmouth	8·00
Victoria Road, Avonmouth	2·76
Beaconsfield Street/Canterbury Street	1·18
St. Anne's Road, St. Anne's	4·00
Strawberry Lane, Crews Hole Road	1·16
Adjoining Royal Portbury Dock, Portbury	627·00

Rating Reform

Mr. Cohen: To ask the Secretary of State for the Environment whether he will introduce legislation specifically to prohibit any information collected for benefit purposes being disclosed to the community charge officer; and if he will make a statement.

Mr. Howard: No. As I told the House on 20 April, at column 840, it is intended to allow the names and addresses of income support claimants to be passed to the community charges registration officer.

Mrs. Fyfe: To ask the Secretary of State for the Environment whether he will take steps to ensure that persons requested to supply information to community charge registration officers are informed that the requirement to do so within 21 days of the request does not mean that they are compelled to comply with any request to return the form immediately or within a few days of receipt.

Mr. Howard: Regulations will provide that persons requested to supply information to community charge registration officers will have 21 days in which to do so. It will be for registration officers to decide the procedures for collecting information, but these must observe the statutory time limit.

Direct Labour Organisations

Mr. David Nicholson: To ask the Secretary of State for the Environment how many local authorities currently operate direct labour organisations involved in the subsidised production of doors and windows; and if he will list them in the *Official Report*.

Mr. Chope: This information is not held centrally.

Wetlands

Mr. Stern: To ask the Secretary of State for the Environment whether he will list the criteria and guidelines for the identification of wetlands of international importance for listing under the Ramsar convention which were adopted by the third conference of contracting parties to the convention at Regina, Canada, in June 1987; and what is the extent to which the criteria and guidelines will be adopted in identifying wetlands of international importance in the United Kingdom.

Mr. Moynihan *[pursuant to his reply, 11 May 1988, c. 128]:* The guidelines, regarding whether a wetland could be considered for selection under criterion 1 are; if

(a) it is an example of a type rare or unusual in the appropriate biogeographical region; or

(b) it is a particularly good representative example of a wetland characteristic of the appropriate region; or

(c) it is a particularly good representative of a common type where the site also qualifies for consideration under criteria 2a, 2b or 2c; or

(d) it is representative of a type by virtue of being part of a complex of high quality wetland habitats. A wetland of national value could be considered of international importance, if it has a substantial hydrological, biological or ecological role in the functioning of an international river basin or coastal system; or

(e) in developing countries, it is a wetland which, because of its outstanding hydrological, biological or ecological role, is of substantial socio-economic and cultural value within the framework of sustainable use and habitat conservation.

Waterfowl indicative of wetland values, productivity or diversity under criterion 3b, include divers (loons), grebes, pelicans, storks, ibises, spoonbills, herons, flamingos, swans, geese, ducks, cranes, rails and coots, waders (shorebirds), gulls and terns.

The NCC has adopted these criteria and guidelines fully when identifying sites for submission either to my Department or to the Scottish Office.

The Regina conference recommended that a working group should be established in order to examine ways in which the criteria and guidelines for identifying wetlands of international importance might be further elaborated, in order to improve the worldwide application of the convention. It is expected that a report and draft recommendations will be issued to contracting parties in time for them to be discussed at the next conference of contracting parties in 1990.

Garden Festival (Stoke on Trent)

Mr. Heddle: To ask the Secretary of State for the Environment if he will publish in the *Official Report* the full set of accounts of the national garden festival, Stoke-on-Trent.

Mr. Trippier: A private company, NGF'86 (Stoke-on-Trent, Staffordshire) Ltd. was formed by the two local authorities concerned, to design, build and operate the festival. The accounts of the company up to 31 March 1986 have already been filed at the companies registration office, in accordance with the Companies Act 1985. The company has been put into members' voluntary liquidation, and final accounts will be filed in due course as part of the liquidation procedure.

ENERGY

Dounreay (Sodium Fires)

Mr. Matthew Taylor: To ask the Secretary of State for Energy if he will give details of any sodium fires at Dounreay in the period between 1976 and 1988.

Mr. Michael Spicer: This is a matter for the United Kingdom Atomic Energy Authority and I have asked the chairman to write to the hon. Member.

Fast Breeder Reactors

Mr. Matthew Taylor: To ask the Secretary of State for Energy (1) what is the current estimated cost of a commercial demonstration fast breeder reactor;

(2) what are his current cost projections for electricity generated by fast breeder reactors in pence per kilowatt hours; what are the assumptions behind such cost projections; and if he will publish details of any recent cost evaluations which are publicly available.

Mr. Michael Spicer: Estimates of fast reactor costs are in the energy technology support unit report ETSU-R-43, published in 1987, which is in the Library of the House.

Sellafield (Chimney)

Mr. Cohen: To ask the Secretary of State for Energy if he will make a statement about what plans are in hand, and the proposed time scale, for pulling down the chimney at Sellafield which was involved in the 1957 fire.

Mr. Michael Spicer: This is the responsibility of British Nuclear Fuels plc. Work on the chimneys forms part of the programme of work being undertaken jointly by BNFL and the United Kingdom Atomic Energy authority which was announced by the chairman of the UKAEA on 5 October 1987. A copy of his statement has been placed in the Library.

Windscale (AGR)

Mr. Cohen: To ask the Secretary of State for Energy if he will make a statement on the progress, time scale, and costs, for the decommissioning of the 100 MW advanced gas-cooled reactor at Windscale.

Mr. Michael Spicer: Decommissioning began in 1982 and has progressed according to a programme aimed at achieving a green field site by 1996. About £20 million has been spent or committed to date and a further £30 million (at current costs) is estimated to be required for completion (excluding ultimate disposal of intermediate level waste). The Department is discussing with the UKAEA the implications for the programme of CEGB's decision to withdraw its funding.

Plutonium

Mr. Cohen: To ask the Secretary of State for Energy how much plutonium produced at Calder and Chapelcross reactors has been sent for use in the United States of America for each year since 1979.

Mr. Michael Spicer: I refer the hon. Member to my reply to the hon. Member for Newport, West (Mr. Flynn) on 11 March 1988 at column *362*.

Power Stations (Reject Heat)

Mr. David Nicholson: To ask the Secretary of State for Energy what information he has on the use being made of reject heat from power stations for commercial fish farming or horticulture at *(a)* coastal power stations and *(b)* inland power stations; what information he has to how many such farms pay a 10 per cent. royalty charge on turnover to the Central Electricity Generating Board; and what increase the Central Electricity Generating Board have received in such royalty payments.

Mr. Michael Spicer: This is a commercial matter for the Central Electricity Generating Board, and I have asked the chairman to write to my hon. Friend.

Public Sector Companies (Foreign Shareholding)

Dr. Thomas: To ask the Secretary of State for Energy (1) if he will list all the public sector United Kingdom companies in which Transnuklear of Hanau, Federal Republic of Germany, has a corporate share involvement; and if he will set out the percentage share involvement by Transnuklear;

(2) if he will list all the public section United Kingdom companies in which NUKEM Gmbh of Hanau, Federal Republic of Germany, has a corporate shareholding and set out the percentage share involvement by NUKEM.

Mr. Michael Spicer *[pursuant to his reply, 6 May 1988, c. 652.]:* I understand that neither Transnuklear nor Nukem Gmbh has any shareholding in any United Kingdom public sector company.

FOREIGN AND COMMONWEALTH AFFAIRS

Western European Union

Mr. Hill: To ask the Secretary of State for Foreign and Commonwealth Affairs if, at the next Council of Ministers of the Western European Union, he will take steps to require the administration of the Union to prepare a study of the factors to be taken into account in assessing the burden-sharing incumbent upon each member of the alliance for ensuring joint security, and to communicate this study to the assembly in Paris.

Mr. Mellor: The issue of burden-sharing is already under discussion within the WEU. Whether any report that is produced is submitted to the Assembly is a matter which will require the unanimous agreement of WEU member states. However, we will bear the Assembly's interest in burden-sharing very much in mind.

Mr. Hill: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress has been made in the negotiations on the accession of Portugal and Spain to the modified Brussels treaty and on their effective participation in the Western European Security system.

Mr. Mellor: Discussions with both Spain and Portugal on their possible accession to the WEU will open in The Hague on 26 May. Good progress has already been made in the discussions between Spain and NATO on a Spanish military contribution to the common defence.

Paraguay

Sir Russell Johnston: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Paraguayan Government regarding the arrest of the opposition leader Domingo Laino on 12 May; and if he will make a statement.

Mr. Eggar: On 12 May Her Majesty's ambassador expressed our concern about the arrest of Sr Laino and several colleagues to the Paraguayan authorities. Sr Laino was released on 14 May.

TRADE AND INDUSTRY

Superbadge Limited

Mr. Boyes: To ask the Chancellor of the Duchy of Lancaster what grants have been made to Superbadge Ltd., Crowther industrial estate, Washington, Tyne and Wear, by his Department.

Mr. Atkins: An offer of £383,000 regional selective assistance (comprising project grant and training grant) was made to Superbadge Ltd. in 1985. In addition, £156,000 revised regional development grant has been paid.

Note: The figure for regional selective assistance relates to details of offers published in *British Business*. The figure for regional development grant relates to details of payments published in *British Business*.

Mobile Radio Licence

Ms. Walley: To ask the Chancellor of the Duchy of Lancaster why the cost of a private mobile radio licence has been increased to £120 for 1988.

Mr. Butcher: The charging band for one to five mobile stations has been merged with the six to 10 mobile stations band (fee £120) to reflect the irreducible cost of frequency assignments for small systems. Previously licensees with six to 10 mobiles were effectively subsidising those with one to five mobile stations.

Inner Cities (Disabled People)

Mr. Ashley: To ask the Chancellor of the Duchy of Lancaster (1) what co-ordinating machinery he intends to establish to ensure that full account of the needs of disabled people is taken in all plans concerning the revitalisation of the inner cities;

(2) how he plans to ensure full access provision for disabled people in the revitalisation of the inner cities when new buildings are erected and existing buildings refurbished;

(3) which disability organisations have made representations concerning his plans for revitalisation of the inner cities; and what replies he has sent.

Mr. Kenneth Clarke: I have received representations from the Royal Association for Disability and Rehabilitation (RADAR) concerning plans for inner city regeneration. stressing the need for inner city development to take account of the needs of the disabled and the important contribution they can make. RADAR has set out its views in a paper "Disabled People and the Inner Cities" which has been circulated to Departments' regional offices and the Government's city action teams and inner city task forces which are responsible for supporting initiatives and projects at local level. The Government take account of the needs of the disabled in planning development projects in which they have an interest and

several Departments, including the Departments of the Environment, of Health and Social Security and of Transport are in regular touch with disability organisations. Their needs are also reflected in the provisions on access for disabled people contained in building regulations. I have no plans to set up separate co-ordinating machinery.

British Steel Corporation

Mr. Page: To ask the Chancellor of the Duchy of Lancaster what special arrangements will be made to enable the employees of the British Steel Corporation to receive shares in the forthcoming privatisation of the British Steel Corporation.

Mr. Kenneth Clarke: The Government welcome the involvement of employees through employee share arrangements in buying shares in privatised companies at the time of flotation. We believe that this has been of considerable benefit both to the employees and the companies concerned. It is our intention therefore to make available the following special arrangements, for United Kingdom employees of the British Steel Corporation and its wholly owned subsidiaries:

(i) employees will each be offered £70 worth of free shares plus a further £2 of shares for every year of service with the corporation. An employee with 15 years' service could therefore be eligible to receive, free of charge, £100 worth of shares;

(ii) employees will also be offered 2 free shares for each one bought at the full share price on a matching basis, up to a maximum value in free shares of £330. An employee buying £165 worth of shares would thus receive shares worth in total £495;

(iii) employees will be able to buy shares, up to a maximum value of £2,200, at a discount of 10 per cent. on the full share price;

(iv) employees and BSC pensioners applying for shares at the full share price, will be treated on a priority basis over the general public, up to a limit of £10,000 worth of shares per individual.

The free and matching shares will be available to United Kingdom employees who satisfy certain minimum qualification periods on length of employment and hours worked per week. The discount and priority shares will be available to all United Kingdom employees. All these arrangements will be subject to an overall limit of 10 per cent. of the shares on offer in the flotation. The exact number of shares will be determined once the share price is decided.

Mr. Page: To ask the Chancellor of the Duchy of Lancaster what arrangements will be made in respect of a special share for the privatisation of British Steel.

Mr. Kenneth Clarke: The British Steel Bill currently before Parliament makes provision for the assets and liabilities of the British Steel Corporation to be transferred to a successor company. It is the Government's intention that the articles of that successor company should contain a provision which would restrict individual shareholdings in the company to a maximum of 15 per cent. of the equity. This provision would be protected by a "special share" in the company to be held by the Government. The arrangement would thus ensure that the successor company could not be taken over without the agreement of the Government as special shareholder.

It is the Government's intention that these arrangements would last for five years from the date of privatisation. The special shareholder would have no other rights in respect of other provisions in the articles or in respect of voting.

Commodity Prices

Mr. Tom Clarke: To ask the Chancellor of the Duchy of Lancaster if he will publish a table in the *Official Report* showing, for each year from 1970, as an index, with 1970 = 100, average real prices for the following commodities *(a)* cotton, *(b)* metal, *(c)* wool, *(d)* coffee and *(e)* all non-food agricultural products.

Mr. Alan Clark *[holding answer 16 May 1988]:* There is no unique deflator to convert commodity prices to real terms. The available information is in the table, based on prices in US dollars.

World export prices of selected primary commodities

1970 = 100[1]

	Cotton	*Non-ferrous metals*	*Wool*	*Coffee*	*Non-food agricultural products*
1970	100	100	100	100	100
1971	n.a.	n.a.	n.a.	n.a.	n.a.
1972	122	87	164	98	122
1973	197	121	353	125	196
1974	233	152	238	134	222
1975	192	120	204	147	196
1976	259	127	208	282	207
1977	249	136	223	493	230
1978	245	147	232	321	244
1979	261	194	268	341	294
1980	306	216	304	337	309
1981	282	190	319	270	285
1982	237	165	296	263	252
1983	265	167	268	263	269
1984	269	162	257	283	285
1985	229	154	182	273	229
1986	187	151	179	384	232

[1] Based on prices in $US.
n.a. = not readily available.
Source: United Nations.

EDUCATION AND SCIENCE

Post-16 Provision

10. **Mr. O'Brien:** To ask the Secretary of State for Education and Science whether he has any plans to meet representatives of the Association of Metropolitan Authorities to discuss future arrangements for post-16 provision; and if he will make a statement.

38. **Mr. Fisher:** To ask the Secretary of State for Education and Science whether he has any plans to meet representatives of the Association of Metropolitan Authorities to discuss future arrangements for post-16 provision; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend has no plans at present to meet the Association of Metropolitan Authorities to discuss post-16 provision. However, he is always willing to receive representations from the association on that or any other issue.

School Meals

15. **Mr. Ashton:** To ask the Secretary of State for Education and Science how many children were in receipt of free school meals in 1987.

Mr. Dunn: In October 1987, the latest date for which data are available, some 1,100,000 pupils, or 17·7 per cent. of those in attendance at maintained schools in England, received free shool meals.

16. **Mr. Boyes:** To ask the Secretary of State for Education and Science what information he has on the number of children taking school meals; and if he will make a statement.

Mr. Battle: To ask the Secretary of State for Education and Science what information he has on the number of children taking school meals; and if he will make a statement.

Mr. Dunn: In October 1987, the latest date for which data are available, some 3,091,000 pupils, or 49·8 per cent. of those in attendance at maintained schools in England, took school meals.

Research

17. **Mr. McAllion:** To ask the Secretary of State for Education and Science what changes there have been in the balance of research supported by his Department and by other Departments in recent years.

Mr. Jackson: Expenditure on research by the Department, mainly through the research councils and the University Grants Committee, in the current financial year is estimated at about 28·5 per cent. of total expenditure on research by all Government Departments. In 1979-80, it was about 27 per cent. There has therefore been a small increase.

Education Reform Bill

18. **Mr. Amess:** To ask the Secretary of State for Education and Science what representations he has received about those aspects of the Education Reform Bill which deal with higher education.

Mr. Jackson: Many representations have been received. Copies of those from organisations in response to the various consultative documents are in the Library.

20. **Mr. Morley:** To ask the Secretary of State for Education and Science whether he is in a position to provide more detail of the proposed methods of testing under the provisions of the Education Reform Bill; and if he will make a statement.

51. **Mr. Cousins:** To ask the Secretary of State for Education and Science whether he is now in a position to provide more detail of the proposed method of testing under the provisions of the Education Reform Bill; and if he will make a statement.

Mrs. Rumbold: Not yet.

44. **Dr. Michael Clark:** To ask the Secretary of State for Education and Science what representations he has received about the effect the Education Reform Bill will have on grammar schools with regard to curriculum and enrolment.

Mrs. Rumbold: My right hon. Friend has received a number of representations and queries from grammar schools concerning the effects of the Education Reform Bill. The national curriculum proposals will allow all schools the flexibility to meet the particular needs of their pupils, including the most able. The proposals on open enrolment will not affect the nature of the intake to grammar schools, as the relief safeguarding the selective character of such schools under the Education Act 1980 will remain in force.

Research Funding

19. **Mr. Maxton:** To ask the Secretary of State for Education and Science when he last met the president of the Royal Society to discuss research funding.

Mr. Jackson: My right hon. Friend has not had an official meeting with the president of the Royal Society to discuss research funding. I have. We have, of course, taken note of the points made by Sir George Porter in his recent Richard Dimbleby lecture on science.

Medical Research Council

21. **Mr. Goodlad:** To ask the Secretary of State for Education and Science when he next expects to meet the Medical Research Council.

Mr. Jackson: I last met the council on 5 February 1988, and am planning to visit the MRC's national institute for medical research on 30 June. My right hon. Friend is hoping to meet representatives of the MRC before the summer recess.

University of Wales

22. **Mr. Ieuan Wyn Jones:** To ask the Secretary of State for Education and Science when he last met representatives of the governing bodies of the university of Wales; and what matters were discussed.

Mr. Jackson: On 29 January 1987, when matters relating to the funding of the university were discussed.

Religious Education

23. **Sir John Biggs-Davison:** To ask the Secretary of State for Education and Science what comparative study he has made of the suitability of the agreed syallabus obtaining in various local education authority areas, in the light of public concern at the ignorance among young people of the Bible and Christianity; what report he has received of the extent to which the statutory collective act of worship is observed or neglected; and if he will institute an appropriate inquiry into the current state of religious education.

Mrs. Rumbold: My right hon. Friend does not have details of all current locally agreed syllabuses; but he is not persuaded on the evidence available to him that any are unsuitable, and the evidence suggests that the vast majority give Christianity a central place. There is evidence that some schools fail to provide collective worship as required by the present law. Where such matters are brought to my right hon. Friend's attention by complaint or otherwise, they are followed up by the Department; in 1987 seven complaints were received. The Education Reform Bill contains a number of measures to strengthen the position of religious education in the schools curriculum, and to update the law on collective worship as recommended by the Education, Science and Arts Select Committee. My right hon. Friend has no plans to institute any inquiry.

53. **Mr. Boswell:** To ask the Secretary of State for Education and Science what recent representations he has received about the future of religious education in England and Wales.

Mrs. Rumbold: A large number of letters have been received, from hon. Members and others. These expressed concern at the exclusion of religious education from the national curriculum, and about a lack of Christian content in the subject. The Education Reform Bill has been amended in another place to strengthen the position of religious education in schools; the Christian content of religious education will be considered further in the other place at a later stage of the Bill.

Advisory Board for the Research Councils

24. **Dr. Bray:** To ask the Secretary of State for Education and Science when he proposes next to meet the Advisory Board for the Research Councils.

Mr. Jackson: My right hon. Friend and I met the advisory board on 25 November 1987, and we have met its chairman on a number of occasions since. Further meetings will be arranged as and when necessary.

Special Schools (Transport)

25. **Mr. Bowis:** To ask the Secretary of State for Education and Science if he will take steps to ensure that pupils of special schools are not prevented from attending school by industrial action affecting special school transport in London.

Mr. Dunn: The strike action by a small number of the Inner London education authority's managerial staff, which affected the school meals and transport services of schools, including special schools, between 21 April and 26 April, has been called off. Negotiations with the National Association of Local Government Officers have resumed on the Inner London education authority's plan to improve the efficiency of its fleet transport service.

Pupils (Attendance Levels)

26. **Mr. Teddy Taylor:** To ask the Secretary of State for Education and Science what information he has received from education authorities about the attendance levels of pupils aged 15 years; and if he will make a statement.

Mrs. Rumbold: Local education authorities are not required to submit information about school attendance levels to my right hon. Friend. In consequence, there are no centrally-held statistics on the attendance rates of pupils aged 15 years.

Her Majesty's Inspector is this year undertaking specific exercises to examine good practice in fostering high rates of attendance. The Department intends to draw on Her Majesty's Inspector's findings for a circular which will follow up circular 2/86 on school attendance and education welfare services.

Village Schools

27. **Sir John Farr:** To ask the Secretary of State for Education and Science what further steps he is taking to safeguard the future of village schools.

Mr. Dunn: I refer my hon. Friend to the reply which I gave earlier today to my hon. Friend the Member for Cornwall, South-East (Mr. Hicks).

Church of England Secondary Education

28. **Mr. John M. Taylor:** To ask the Secretary of State for Education and Science if he will make a statement about his policy towards the role of Church of England secondary education in relation to local education authority secondary education.

Mr. Dunn: My right hon. Friend values the work done by the Church of England schools within the maintained sector in co-operation with local education authorities.

Rating Reform

29. **Mr. Illsley:** To ask the Secretary of State for Education and Science whether he has any plans to meet representatives of the National Union of Students to discuss the implementation of the proposed community charge; and if he will make a statement.

Mr. Jackson: I refer the hon. Member to the answer I gave earlier today to the hon. Member for Halifax (Mrs. Mahon).

Further Education

30. **Mr. Henderson:** To ask the Secretary of State for Education and Science whether he has any proposals to improve the staying-on rate in education after the age of 16 years; and if he will make a statement.

39. **Ms. Short:** To ask the Secretary of State for Education and Science whether he has any proposals to improve the staying-on rate in education after the age of 16 years; and if he will make a statement.

Mr. Dunn: I refer the hon. Members to my reply to the hon. Members for Barnsley, West and Penistone (Mr. McKay) and for Wansbeck (Mr. Thompson) on 19 April 1988 at columns *391-92*.

Inner London

31. **Mr. Corbyn:** To ask the Secretary of State for Education and Science what recent representations he has received about the future of education in inner London; and if he will make a statement.

41. **Mrs. Rosie Barnes:** To ask the Secretary of State for Education and Science what representations he has received about the effect of transferring statutory education in inner London from the Inner London education authority to inner London boroughs; and if he will make a statement.

Mr. Dunn: I refer the hon. Members to the reply given by my right hon. Friend earlier this afternoon to the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore).

55. **Mr. Soley:** To ask the Secretary of State for Education and Science what representations he has received on the draft guidance to London boroughs on the transfer of education services following the abolition of the Inner London education authority; and if he will make a statement.

Mr. Dunn: The draft guidance to boroughs was published on 26 April. We await the considered views of those bodies who have received copies.

Pupils (Tests)

32. **Mr. Favell:** To ask the Secretary of State for Education and Science how many representations he has received opposing his proposals for the compulsory testing of pupils from *(a)* pupils, *(b)* parents and *(c)* teachers.

37. **Mr. Sackville:** To ask the Secretary of State for Education and Science what representations he has received from members of the teaching profession about assessment and testing under the provisions of the Education Reform Bill.

Mrs. Rumbold: We have received some 9,000 representations from individuals and organisations mentioning some aspect of national assessment and testing. Many of these do not indicate their background or their particular views on the Government's proposals. About half of a small sample of responses analysed appear to be from parents, a quarter from teachers, and a negligible proportion from pupils.

English Teaching

33. **Mr. Michael McNair-Wilson:** To ask the Secretary of State for Education and Science what action he intends to take in the light of responses received on the proposals in the Kingman report on the teaching of English.

Mr. Butler: To ask the Secretary of State for Education and Science whether he has any further proposals to improve the teaching of English grammar in the light of responses to the Kingman report.

Mrs. Rumbold: I refer my hon. Friends to the reply I gave to my hon. Friends the Members for Beaconsfield (Mr. Smith) and Ealing, North (Mr. Greenway) earlier today.

Grants and Awards (Recipients)

34. **Mr. Barry Jones:** To ask the Secretary of State for Education and Science what statistical record he keeps of subsequent career moves by recipients of research council grants and awards.

Mr. Jackson: None centrally. The research councils collect data about the first employment destinations of their award holders.

Higher Education

35. **Mr. Malcolm Bruce:** To ask the Secretary of State for Education and Science what representations he has received on his Department's policy towards encouraging wider access to higher education.

Mr. Jackson: We have received many such representations. The Government remain committed to the widening of access to higher education as set out in "Higher Education: Meeting the Challenge" (Cm. 114).

National Curriculum

36. **Mr. Haselhurst:** To ask the Secretary of State for Education and Science what representations he has received about whether the national curriculum is designed with sufficient flexibility to ensure adequate preparation for pupils in the 14 to 16 years age range; and if he will make a statement.

Mrs. Rumbold: A number of replies to our consultation document stressed the need for flexibility for this age group. The proposals in the Education Reform Bill will secure this flexibility in a number of ways: by enabling the national curriculum in those years to be offered in 70 per cent. of the time available; by providing for attainment targets and programmes of study or guidelines for foundation subjects which can be met in a variety of ways, and by giving the Secretary of State the power to make regulations modifying or disapplying elements of the national curriculum pupils for whom this is appropriate.

University Funding

40. **Dr. Moonie:** To ask the Secretary of State for Education and Science whether he has received any representations about the future funding of universities; and if he will make a statement.

Mr. Jackson: We have received many such representations which have helped to shape the university funding provisions in the Education Reform Bill.

Teacher Morale

42. **Ms. Primarolo:** To ask the Secretary of State for Education and Science whether he has any proposals to improve teacher morale, following the report of the interim advisory committee; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend announced on 19 April that he proposed to accept the recommendations on pay rates in the report of the interim advisory committee on teachers' pay and conditions. He is now considering the representations that have been made to him about the report.

Assessment and Testing

43. **Mrs. Ann Taylor:** To ask the Secretary of State for Education and Science when he expects to publish the supplementary report of the task group on assessment and testing; and if he will make a statement.

Mrs. Rumbold: I refer the hon. Member to my right hon. Friend's reply to the hon. Member for Durham, North-West (Ms. Armstrong) on 19 April at columns 665-66.

Teachers' Pay

45. **Mr. Hardy:** To ask the Secretary of State for Education and Science what was the total salary bill incurred in the payment of teachers in England and Wales in the latest year for which figures are available.

Mrs. Rumbold: Based on the returns of expenditure made to the Department of the Environment by local authorities the overall expenditure on the salaries of teachers in nursery, primary, secondary and special schools in England in the financial year 1986-87, the latest year for which actual figures are available, was £5,764 million. The figure includes the employers' contributions towards national insurance and superannuation but excludes Crombie and premature retirement compensation payments.

Information relating to Wales is the responsibility of my right hon. Friend the Secretary of State for Wales.

Grant-maintained Schools

46. **Mr. Pawsey:** To ask the Secretary of State for Education and Science what representations he has received about the establishment of grant-maintained schools; and if he will make a statement.

Mr. Dunn: My right hon. Friend has now received just over 1,000 letters about his proposals for grant-maintained schools, together with a variety of less formal representations. A number of these expressed interest in acquiring grant-maintained status for a particular school.

Nursery Education

47. **Mr. Ian Bruce:** To ask the Secretary of State for Education and Science what is the latest percentage of children in nursery education in England and Wales; and if Her Majesty's Government have any plans to offer nursery education to all children.

Mr. Dunn: In January 1987, the latest date for which figures are available, 23 per cent. of three to four-year-old children in England were in nursery schools and nursery classes. Information about Wales is a matter for my right hon. Friend the Secretary of State for Wales. As to the remainder of my hon. Friend's question, I refer him to my reply to the hon. Member for City of Durham (Mr. Steinberg) on 19 January at column 805.

Harrow (In-service Education)

48. **Mr. Dykes:** To ask the Secretary of State for Education and Science if he has reached a conclusion on possible additional Government assistance, following the report of Her Majesty's inspectors, for the provision of in-service education in the London borough of Harrow.

Mrs. Rumbold: The most recent Her Majesty's inspectorate report that refers to in-service training in the London borough of Harrow is concerned with business education in the borough and was based on a survey carried out in autumn 1986. Since then the Government have introduced the local education authority training grant scheme which supports expenditure by local education authorities on in-service training. In 1988-89 grant will be available to support £207 million of expenditure, including £757,000 of expenditure by the London borough of Harrow.

Academic Freedom

49. **Mr. Ingram:** To ask the Secretary of State for Education and Science whether he intends to meet the Committee of Vice-Chancellors and Principals to discuss the safeguarding of academic freedom; and if he will make a statement.

59. **Mrs. Margaret Ewing:** To ask the Secretary of State for Education and Science when he next expects to meet the Committee of University Vice-Chancellors and Principals to discuss academic freedom.

Mr. Morgan: To ask the Secretary of State for Education and Science whether he intends to meet the Committee of Vice-Chancellors and Principals to discuss the safeguarding of academic freedom; and if he will make a statement.

Mr. Jackson: My right hon. Friend and I have met the vice chancellors to discuss their two main concerns about academic freedom. The first, that academic freedom in higher education institutions should not be at risk from interference by the Government, has been met by Government amendments to clauses 115 to 117 of the Education Reform Bill in a way that has been welcomed. Their other concern is that individual academics should not be victimised by other academics on account of their views. The Bill contains very substantial safeguards on this including a requirement for the commissioners to establish a proper appeals procedure in cases of dismissal and, by removing the exclusive jurisdiction of the visitor, provides access to the courts for actions concerning wrongful dismissal. Those will be strengthened by the amendment we intend to table to the Bill requiring the commissioners to establish grievance procedures. Even so, the Government are willing to consider what further appropriate protection might be provided and discussions to that end are continuing with the vice chancellors.

Science Curriculum Working Group

50. **Mr. Jim Marshall:** To ask the Secretary of State for Education and Science when he expects to publish a further report of the science curriculum working group; and if he will make a statement.

Mrs. Rumbold: The science curriculum working group has been asked to submit its recommendations for attainment targets and programmes of study in a final report to be submitted to my right hon. Friend by 30 June 1988. I envisage that this report will be published and that, together with any comments by my right hon. Friend, it will form the basis for consultation through the National Curriculum Council as regards England.

Research Expenditure

52. **Dr. Reid:** To ask the Secretary of State for Education and Science what is the latest estimate he has of academic and academically related research expenditure in the United Kingdom as a percentage of gross domestic product and the comparable figures in France and Germany.

Mr. Jackson: I refer the hon. Member to my reply to the hon. Member for Birmingham, Hodge Hill (Mr. Davis) on 15 March 1988 at column 537.

City Technology Colleges

54. **Mr. Devlin:** To ask the Secretary of State for Education and Science if he will make a further statement on the progress of city technology colleges.

Mrs. Rumbold: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for Gedling (Mr. Mitchell) on 15 March at column 530.

Drug Abuse and Alcohol Consumption

56. **Mr. Sumberg:** To ask the Secretary of State for Education and Science what assessment he has made of the extent to which increased truancy and problems of discipline among secondary pupils are attributable to drug abuse and alcohol consumption; and what measures his Department is taking, and plans to take, to counter such activity among school children.

Mr. Dunn: The information available to us from Her Majesty's Inspectorate's reports, and from research, has

not suggested that either of these matters is a major factor in truancy or indiscipline. We shall be looking to the committee of inquiry into discipline in schools to recommend action to promote good discipline.

Initiatives taken by the Department to counter drug abuse and alcohol consumption include funding for the appointment of drugs education co-ordinators in each local education authority in England at a cost of £6·7 million over three years; the allocation of £2 million per year since 1987 for teacher training in drug related problems; research funding; the funding of pamphlets and other materials; and encouragement to schools to promote health education as a necessary element in both the primary and secondary school curriculum.

GCSE

57. **Mr. Anthony Coombs:** To ask the Secretary of State for Education and Science what steps he is taking to ensure that employers understand the changes inherent in the new GCSE and their implications for educational standards.

Mrs. Rumbold: My Department has conducted a major campaign over the last year to inform employers about GCSE and the contribution the new examination will make to the Government's policies for raising educational standards.

60. **Mr. Madel:** To ask the Secretary of State for Education and Science if he will make a statement on the arrangements that have been made for the marking of GCSE papers this summer.

Mrs. Rumbold: The GCSE examining groups are responsible for marking GCSE examination papers and for awarding GCSE grades in a manner consistent with the GCSE national criteria. The Secondary Examinations Council and Her Majesty's Inspectorate will be attending a selection of the group's meetings concerned with the awarding of GCSE grades.

Teachers (Pay and Conditions)

58. **Mr. Win Griffiths:** To ask the Secretary of State for Education and Science when he expects the European Community survey on pay and conditions for teachers in the European Community countries to be published.

Mrs. Rumbold: We understand that the European Commission will shortly be distributing copies of this survey to HMSO bookshops.

Mr. Ron Davies: To ask the Secretary of State for Education and Science what representations he has received on the report of the interim advisory committee on teachers' pay and conditions; and if he will make a statement.

Mrs. Rumbold: I refer the hon. Member to the answer which my right hon. Friend gave earlier today to the hon. Member for Hemsworth (Mr. Buckley).

Maintenance Awards

Mr. Andrew F. Bennett: To ask the Secretary of State for Education and Science what would be the cost, for 1988-89, of deeming all students as independent, at the age of 21 years instead of 25 years, for the purpose of calculating maintenance awards.

Mr. Jackson: Approximately £90 million, on the basis of the Government's latest projections of student numbers and assuming that the age distribution remains broadly unchanged.

Science Base (Strategy)

Mr. Macdonald: To ask the Secretary of State for Education and Science when he expects to reply to the advisory board for the research councils' report to him on strategy for the science base.

Mr. Jackson: My right hon. Friend expects to make a considered statement later this year on the Government's policy objectives for the science base and the steps we will be taking to achieve them, taking account of the ABRC's recommendations and the comments on these from the higher education and scientific communities.

Universities and Polytechnics (Funding)

Mr. Ernie Ross: To ask the Secretary of State for Education and Science what estimate he has made of future funding of research in universities and polytechnics by private sources; and how this affects his plans for financial support from public sources.

Mr. Jackson: We have encouraged higher education institutions to develop their externally funded research and consultancy, and welcome the rapid increase that has taken place. However, in keeping with our assurance that this is institutions' private business, we have no estimate for future growth and we take no account of this income in our public expenditure planning.

SCOTLAND

Conservative Party Committee on Industry

Mr. Wilson: To ask the Secretary of State for Scotland when the Scottish Conservative party committee on industry, chaired by Sir James Gulliver, has met within his Department; and on whose authority.

Mr. Lang: The Scottish Conservative party committee chaired by Sir James Gulliver has never met within the Scottish Office.

Data Protection

Mr. Cohen: To ask the Secretary of State for Scotland what steps he has taken, in relation to the community charge and the first data protection principle, to satisfy himself that his Department follows the advice from the Data Protection Registrar in his guideline number 4, paragraph 1.4; and what steps are to be taken by his Department to adhere to that advice.

Mr. Lang: Compliance with the Data Protection Act 1984 and the data protection principles is a matter for individual community charges registration officers and local authorities.

Cervical Tests

Mr. Galbraith: To ask the Secretary of State for Scotland when he expects to have information on the waiting time for cervical test results in each laboratory in every health board in Scotland; and if the information will be made public.

Mr. Michael Forsyth: Health boards are being consulted with a view to the production of these statistics for each laboratory on a quarterly basis. Arrangements will be made to publish the information as quickly as practicable after its receipt.

Pre-Five Services

Mrs. Fyfe: To ask the Secretary of State for Scotland (1) whether he has considered multi-disciplinary training for those employed in the care of under-fives; and if he will make a statement;

(2) whether he has any plans to improve staffing levels, conditions of services, and career prospects for staff in pre-five services.

Mr. Michael Forsyth: Staffing levels in pre-fives services and the conditions of service, career prospects and training of staff who work in them are matters for regional and islands councils to decide.

Under-Fives (Health)

Mrs. Fyfe: To ask the Secretary of State for Scotland what steps he is taking to encourage good health habits in the under-fives.

Mr. Michael Forsyth: The primary responsibility for developing healthy habits in young children rests with their parents. We encourage parents to have their infant children immunised against childhood infectious diseases and health education information is directed towards parents on this and other general aspects of child health. All health professionals, doctors, nurses and health visitors play an important part in delivering health messages to parents.

Ante-Natal Clinics

Mrs. Fyfe: To ask the Secretary of State for Scotland if he will take steps to assist mothers who have difficulties in attending ante-natal clinics.

Mr. Michael Forsyth: Assistance with travel costs is already available to mothers attending ante-natal clinics at a maternity unit administered by a hospital if their income is inadequate.

Child Development

Mrs. Fyfe: To ask the Secretary of State for Scotland what information he has on recent research into the value of involving parents in their child's development, both at home and in the nursery setting; and if he has any policy proposals in response to these.

Mr. Michael Forsyth: It is not clear what recent research the hon. Member has in mind. If she can be more specific I shall be happy to respond.

Childminding

Mrs. Fyfe: To ask the Secretary of State for Scotland whether he will take steps to improve the quality of childminding services by practical advice, support and training to childminders.

Mr. Michael Forsyth: Under the Nurseries and Child-minders Regulation Act 1948 local authorities are responsible for the registration of childminders, in order to ensure certain standards of provision. My right hon. and learned Friend has for a number of years made grants under section 10 of the Social Work (Scotland) Act 1968 to the National Child Minding Association, to help improve the quality and training of childminders and the service it provides. For 1988-89 he has offered the association substantial additional grant towards the funding of a development officer post for Scotland.

Toy Libraries

Mrs. Fyfe: To ask the Secretary of State for Scotland whether he will make funds available for toy libraries in areas of priority treatment.

Mr. Michael Forsyth: In addition to the assistance which he provides towards local authority expenditure on social work through rate support grant, my right hon. and learned Friend provides grants under section 10 of the Social Work (Scotland) Act 1968 to the voluntary organisation Playmatters which promotes toy libraries. Under the urban programme projects in eligible areas may qualify for assistance.

Health Boards (Finance)

Mr. Robin Cook: To ask the Secretary of State for Scotland what was the financial position of each Scottish health board as of 31 March.

Mr. Michael Forsyth: Precise information on the level of spending by health boards in 1987-88 against their approved cash limits will not be available centrally until boards submit copies of their statutory accounts at the beginning of July.

Health Service (Performance-related Pay)

Mr. Robin Cook: To ask the Secretary of State for Scotland what was the amount of performance-related pay awarded to each general manager and unit general manager in the Scottish Health Service in 1987-88.

Mr. Michael Forsyth: The payments made to individual managers are confidential between him and their employing authority.

Deaf Children

Mr. Dunnachie: To ask the Secretary of State for Scotland whether he will introduce legislation requiring local health authorities to supply information about voluntary organisations which can give help and support to deaf children and their parents.

Mr. Michael Forsyth: I do not consider that such legislation is required, since Scottish local authorities responsible for social work services are already under a statutory duty to provide disabled people with such information on services provided by themselves or other organisations as is in their possession.

Severe Mental Handicap

Mr. Kirkwood: To ask the Secretary of State for Scotland if he proposes to take steps to alter the definition of severe mental handicap in respect of the community charge, in the light of the review of the term taking place in England and Wales.

Mr. Lang: The review which is currently taking place is being undertaken on a Great Britain basis. Any change in the definition of severe mental handicap for the purposes of exemption from the personal community charge would apply to England and Wales and Scotland.

Autistic Children

Mr. Dunnachie: To ask the Secretary of State for Scotland what provisions are being made in the national curriculum to ensure that the special needs of autistic children will be adequately met.

Mr. Michael Forsyth *[holding answer 12 May 1988]:* The Government's policies for curriculum and assessment will take into account the educational requirements of children identified and recorded as having special educational needs.

AGRICULTURE, FISHERIES AND FOOD

Farms (Sellafield)

Mr. Cohen: To ask the Minister of Agriculture, Fisheries and Food what radiation and other checks are carried out on the produce of the tenant farms next to, and in the vicinity of the Sellafield nuclear power plant; and to what extent the final destination of the produce is monitored.

Mr. Donald Thompson: The Ministry of Agriculture, Fisheries and Food operates a programme of regular routine monitoring around all of the major licensed nuclear sites in England and Wales. As part of this terrestrial radioactivity monitoring programme, milk, crop and animal samples are regularly taken from the vicinity of the Sellafield site. Monitoring of individual dietary intakes is undertaken both locally and in other parts of the country to confirm that no dietary pathways are being overlooked.

In addition to the Ministry's monitoring programme, checks are also undertaken by the National Radiological Protection Board, the Institute of Terrestrial Ecology, the United Kingdom Atomic Energy Authority and by British Nuclear Fuels plc, the plant operators.

Mr. Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food (1) why the European Economic Community Commission has introduced restrictions on the import of apples; whether he was consulted on these restrictions; and what assessment he has made of the implications of these restrictions for the general agreement on tariffs and trade;

(2) what estimate he has made of the impact on apple prices and consumer choice of the restrictions placed by the European Economic Community Commission on further imports;

(3) if the European Economic Community will offer compensation to the owners of apples which were in transit to Europe on the day the European Economic Community imposed restrictions on imports; and if he will make a statement.

Mr. Donald Thompson *[holding answer 16 May 1988]:* The EC Commission has acted under article 29(2) of regulation 1035/72 on the common organisation of the market in fruit and vegetables which allows it to act on its own initiative if it considers that imports from third countries cause or threaten to cause serious disturbance on the Community market. The Commission is not obliged to consult member states on such matters and did not do so, on the ground that urgent action was necessary. The compatibility of these restrictions with the GATT will be investigated within the framework of that organisation by a GATT panel and I would not wish to speculate on the outcome. Our view is that the overall impact of these restrictions on apple prices and consumer choice will be limited. Even with these restrictions, imports from third countries are likely to be at the same or somewhat higher levels this year than last. However, I am concerned that member states did not have an opportunity to weigh possible effects on trade and markets in advance of the decision, and our views on this have been made clear in the Community. I appreciate the problems faced by the traders who bought apples in good faith but have not been able to obtain licences as a result of the ban, and representations have been made to the Commission on this specific point. However, I do not think that this is an appropriate case for compensation from United Kingdom funds.

THE ARTS

Science Museum

61. **Mr. Alan W. Williams:** To ask the Minister for the Arts whether he has received any representations about the level of his Department's funding for the science museum; and if he will make a statement.

62. **Mr. Tony Banks:** To ask the Minister for the Arts whether he has received any representations about the level of his Department's funding for the science museum; and if he will make a statement.

Mr. Luce: I have received no such representations.

Last December I announced the grant-in-aid allocations for the next three years for the Science museum and the other national museums and galleries that I sponsor. The Science museum's grant in aid for running costs and purchase grant is £11·422 million in the present financial year. Comparing like with like, this is an increase in real terms of some 26 per cent. since 1979-80.

TRANSPORT

Vehicles (Fuel Consumption)

Mr. Matthew Taylor: To ask the Secretary of State for Transport what was the average fuel consumption for automobiles in the United Kingdom in 1973, 1976, 1979, 1982, 1985 and 1988; what are the fuel consumpton projects for 1990, 1995 and the year 2000; whether he has any proposals to set fuel consumption targets for automobile and other vehicles; and whether he will make a statement on Her Majesty's Government's policy for energy efficiency in the transport sector.

Mr. Peter Bottomley: The information is as follows:

Registered average fuel consumption of new cars sold

	Miles per gallon
1979	31·38
1982	34·66
1985	37·53
[1]1987	38·1

[1] The latest year available.

Data for earlier years is not available. Nor are detailed projections.

The Department considers that technology advances will make possible a further 50 per cent. improvement in cars generally by 2010. There are no proposals to set fuel consumption targets.

The Government believe that energy efficiency in the transport sector is best promoted by allowing the free operation of market forces. We aim to remove obstacles which might prevent this from happening.

The Department of Transport and the Department of Energy promote the benefits of cost-effective energy management in the area of commercial transport, including guidance to consumers.

Seat Belts (Coaches)

Mr. Cran: To ask the Secretary of State for Transport when he expects to be able to announce the results of his Department's investigation into the possibility of extending the requirements to install safety belts on seats most at risk in existing motor coaches.

Mr. Peter Bottomley: There is conflicting technical advice from the Consumers' Association, and the Bus and Coach Council. We have asked the two organsations to consider the matter jointly and to produce a paper for the Department.

Mr. Cran: To ask the Secretary of State for Transport what estimates he has made of the cost of requiring passenger seat belts to be fitted to all new motor coaches.

Mr. Peter Bottomley: The coach manufacturers put the cost of fitting two-point seat belts to all the seats on a 57-seat coach at approximately £1,000 to £1,500.

Coaches (Shatterproof Glass)

Mr. Cran: To ask the Secretary of State for Transport what estimates he has made of the cost of requiring shatterproof glass to be fitted in all new motor coaches.

Mr. Peter Bottomley: The majority of new coaches are fitted with laminated glass windscreens with the remainder of the glazing being of toughened glass. Toughened glass may shatter on impact. It does not break into dangerous particles.

The additional cost of laminated glass for all the glazing requirements would be in the range £500 to £600 for a single deck coach and around £1,200 for a double deck coach.

Coach Safety

Mr. Cran: To ask the Secretary of State for Transport when he next intends to meet the Bus and Coach Council to discuss improvements in coach safety.

Mr. Peter Bottomley: In June.

Vehicle Excise Duty

Mr. French: To ask the Secretary of State for Transport if he will estimate the amount of extra revenue that would be received in the current financial year if there were no evasion of vehicle excise duty.

Mr. Peter Bottomley: The amount of revenue lost from VED evasion in the United Kingdom during the 1987-88 financial year is estimated to be £108 million. No estimates for 1988-89 are yet available.

Heathrow Airport (Noise)

Mr. Harry Greenway: To ask the Secretary of State for Transport when he expects to announce the end of the special exemption allowing noisy jets to fly into Heathrow airport; and if he will make a statement.

Mr. Peter Bottomley: There has been no "special exemption". The criteria for granting exemptions remain as set out in my answer on 19 February at columns *748-50*. Since then a further 17 applications have been refused and the following exemptions (which do not relate to a specific airport) granted:

Country	*Operator*	*Aircraft type and period*	*Reasons*
Sudan	Sudan Airways	Three B707 1 April 1988 to 18 May 1988	Extension to previous exemption
Uganda	Uganda Airlines	One B707 10 March 1988 (one flight)	DC10 in maintenance
United States of America	Pincervale Ltd	One GII 21 March 1988 to 30 August 1988	Limited business use. Compliant aircraft on order
Rumania	TAROM	One IL62 27 March 1988 (one flight)	Hardship to passengers
Zambia	Zambia Airways	One B707 27 to 28 March 1988 (2 flights)	DC10 out of service
Lebanon	Middle East Airlines	One B707 31 March 1988 to 1 April 1988 (one flight)	Hardship to passengers
Kenya	Kenya Airways	One B707 2 and 7 April 1988 (two flights)	Hardship to passengers
Lebanon	Middle East Airlines	One B707 9 April 1988 (one flight)	Compliant aircraft not available due to technical problems
United States of America	Advance Machine Company	One GII 15 to 24 April 1988 (three flights)	Limited business use. Compliant aircraft on order

Country	Operator	Aircraft type and period	Reasons
Lebanon	Middle East Airlines	One B707 1 May 1988 (one flight)	Compliant aircraft not available due to technical problems
Kenya	Kenya Airways	One B707 6 May 1988 (two flights)	Compliant aircraft not available due to technical problems
United States of America	Crown Controls Corporation	One GII 11 to 14 May 1988 (one flight)	Hushkit delay
Lebanon	Middle East Airlines	One B707 14 to 15 May 1988 (one flight)	Compliant aircraft not available due to technical problems
United States of America	Airwaves Corporation	One GII 15 to 19 May 1988 (one flight)	Hushkit delay
United States of America	Union Pacific Corporation	One GII 14 to 20 May 1988 (three flights)	Compliant aircraft on order

A further 23 maintenance flights have also been exempted.

British Rail (Diesels)

Mr. Tredinnick: To ask the Secretary of State for Transport when he expects to be able to announce his decision on British Rail's proposal to order 100 class 60 diesel locomotives for its freight sector; and if he will make a statement.

Mr. Channon: I have today given approval to British Rail for the purchase of 100 class 60 freight locomotives at a cost of some £120 million. This demonstrates again the Government's willingness to approve worthwhile investment in the railways.

Channel Tunnel

Mr. Teddy Taylor: To ask the Secretary of State for Transport (1) what steps he has taken to ensure that adequate seismic monitoring has been conducted to establish the nature and extent of possible subterranean disturbances which could affect the structure of the Channel tunnel; and if he will make a statement;

(2) what representations he has received from Dr. Richard Haworth, chief geophysicist of the geophysical survey on geological structures, when considering the Channel tunnel; what consideration was given to them; and if he will make a statement.

Mr. David Mitchell *[holding answer 16 May 1988]:* Dr. Howarth approached my Department in December 1985, asking whether there had been any investigation into the susceptibility of the Channel tunnel fixed link to earth tremors, and offering the services of the British Geological Survey to investigate the seismic risk associated with the Link and to monitor seismicity. He was told of the advice from the British Geological Survey prior to the 1975 Channel tunnel project, the way this information had been passed to the Channel Tunnel Group, and the coverage of seismic risks in the group's proposal.

It is for Eurotunnel to assemble and assess data, including data on earthquakes and the geophysical features of the region, on which to base the design of the Channel tunnel, its ancillary infrastructure and its equipment. The Channel Tunnel Safety Authority is considering outline design proposals from Eurotunnel for the entire project and satisfying itself that all risks and safety aspects have been properly taken into account, including earthquakes. All these design proposals are being scrutinised and commented on by the independent maitre d'oeuvre. The authority has been considering commissioning independent specialist advice on seismic aspects of Eurotunnel's proposals, but not considering commissioning seismic monitoring.

Lorries (Weight)

Mr. Cryer: To ask the Secretary of State for Transport if he will state the estimated cost of strengthening bridges and widening roads were the maximum weight of lorries increased to *(a)* to 40 tonnes and *(b)* 44 tonnes; and if he will make a statement.

Mr. Peter Bottomley *[holding answer 13 May 1988]:* The bridge census and sample survey report of March last year estimated that it would cost about £750 million to strengthen road bridges to meet the standards of the Department's bridge assessment code, which covers 40 and 44-tonne vehicles with 10·5 tonne drive axles.

Strengthening to meet the higher EC standard, for a 40-tonne vehicle with 11·5 tonne drive axle, would increase this cost a little. No additional expenditure should be needed to widen roads solely for heavier lorries.

SOCIAL SERVICES

Spending Power (Statistics)

Mr. Ralph Howell: To ask the Secretary of State for Social Services if he will publish tables similar to the tax benefit model table showing the net weekly spending power for each of *(a)* a single person, *(b)* a married couple with no children, *(c)* a couple with a child aged 11 years, *(d)* a couple with two children aged eight and 11 years, *(e)* a couple with three children aged, eight, 11 and 15 years, *(f)* a couple with four children aged three, eight, 11 and 15 years with weekly earnings of (i) £60, (ii) £70, (iii) £80, (iv) £90, (v) £100, (vi) £110, (vii) £120, (viii) £130, (ix) £140, (x) £150, (xi) £160, (xii) £170, and (xiii) £180 under the new system implemented in April, together with net weekly spending power in the first weeks of unemployment when the individuals concerned are classified as long-term unemployed.

Mr. Scott: The information requested is provided in the tables. It should be noted that the results are hypothetical in two senses. First, the results are based on average local authority housing charges and do not reflect the wide variety of rents and domestic rates that people actually pay. Second, average housing charges have been uprated to 1988-89 using assumptions set out in "Impact of the Reformed Structure of Income Related Benefits," October 1987. Income tax has been assessed on a post-Budget basis.

New tax and benefit system from April 1988
Single person aged 25 and over

Gross earnings	Tax	N.I.	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·0	2·48	3·00	0·00	0·00	15·94	5·46	8·45	2·11	5·85	31·85
70·00	4·98	4·90	0·00	0·00	15·94	1·82	8·45	0·99	5·85	32·69
80·00	7·48	5·60	0·00	0·00	15·94	0·00	8·45	0·00	5·85	36·68
90·00	9·98	6·30	0·00	0·00	15·94	0·00	8·45	0·00	5·85	43·48
100·00	12·48	7·00	0·00	0·00	15·94	0·00	8·45	0·00	5·85	50·28
110·00	14·98	9·90	0·00	0·00	15·94	0·00	8·45	0·00	5·85	54·88
120·00	17·48	10·80	0·00	0·00	15·94	0·00	8·45	0·00	5·85	61·48
130·00	19·98	11·70	0·00	0·00	15·94	0·00	8·45	0·00	5·85	68·08
140·00	22·48	12·60	0·00	0·00	15·94	0·00	8·45	0·00	5·85	74·68
150·00	24·98	13·50	0·00	0·00	15·94	0·00	8·45	0·00	5·85	81·28
160·00	27·48	14·40	0·00	0·00	15·94	0·00	8·45	0·00	5·85	87·88
170·00	29·98	15·30	0·00	0·00	15·94	0·00	8·45	0·00	5·85	94·48
180·00	32·48	16·20	0·00	0·00	15·94	0·00	8·45	0·00	5·85	101·08

New tax and benefit system from April 1988
Married couple

Gross earnings	Tax	N.I.	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·00	0·00	3·00	0·00	0·00	15·94	15·94	8·45	5·34	5·85	48·04
70·00	0·00	4·90	0·00	0·00	15·94	13·57	8·45	4·61	5·85	53·04
80·00	0·31	5·60	0·00	0·00	15·94	7·73	8·45	2·81	5·85	54·39
90·00	2·81	6·30	0·00	0·00	15·94	3·31	8·45	1·45	5·85	55·41
100·00	5·31	7·00	0·00	0·00	15·94	0·00	8·45	0·00	5·85	57·45
110·00	7·81	9·90	0·00	0·00	15·94	0·00	8·45	0·00	5·85	62·05
120·00	10·31	10·80	0·00	0·00	15·94	0·00	8·45	0·00	5·85	68·65
130·00	12·81	11·70	0·00	0·00	15·94	0·00	8·45	0·00	5·85	75·25
140·00	15·31	12·60	0·00	0·00	15·94	0·00	8·45	0·00	5·85	81·85
150·00	17·81	13·50	0·00	0·00	15·94	0·00	8·45	0·00	5·85	88·45
160·00	20·31	14·40	0·00	0·00	15·94	0·00	8·45	0·00	5·85	95·05
170·00	22·81	15·30	0·00	0·00	15·94	0·00	8·45	0·00	5·85	101·65
180·00	25·31	16·20	0·00	0·00	15·94	0·00	8·45	0·00	5·85	108·25

New tax and benefit system from April 1988
Married couple with one child aged 11

Gross earnings	Tax	N.I.	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·00	0·00	3·00	39·62	7·25	17·82	4·71	9·28	1·97	5·85	77·60
70·00	0·00	4·90	33·95	7·25	17·82	3·13	9·28	1·48	5·85	77·96
80·00	0·31	5·60	27·65	7·25	17·82	1·38	9·28	0·94	5·85	78·36
90·00	2·81	6·30	22·89	7·25	17·82	0·00	9·28	0·53	5·85	78·61
100·00	5·31	7·00	18·13	7·25	17·82	0·00	9·28	0·00	5·85	80·12
110·00	7·81	9·90	14·91	7·25	17·82	0·00	9·28	0·00	5·85	81·50
120·00	10·31	10·80	10·29	7·25	17·82	0·00	9·28	0·00	5·85	83·48
130·00	12·81	11·70	5·67	7·25	17·82	0·00	9·28	0·00	5·85	85·46
140·00	15·31	12·60	1·05	7·25	17·82	0·00	9·28	0·00	5·85	87·44
150·00	17·81	13·50	0·00	7·25	17·82	0·00	9·28	0·00	5·85	92·99
160·00	20·31	14·40	0·00	7·25	17·82	0·00	9·28	0·00	5·85	99·59
170·00	22·81	15·30	0·00	7·25	17·82	0·00	9·28	0·00	5·85	106·19
180·00	25·31	16·20	0·00	7·25	17·82	0·00	9·28	0·00	5·85	112·79

New tax and benefit system from April 1988
Married couple with two children aged 8 and 11

Gross earnings	Tax	N.I.	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·00	0·00	3·00	45·67	14·50	19·12	4·36	9·80	1·87	5·85	88·63
70·00	0·00	4·90	40·00	14·50	19·12	2·78	9·80	1·39	5·85	89·00
80·00	0·31	5·60	33·70	14·50	19·12	1·02	9·80	0·85	5·85	89·39
90·00	2·81	6·30	28·94	14·50	19·12	0·00	9·80	0·00	5·85	89·56
100·00	5·31	7·00	24·18	14·50	19·12	0·00	9·80	0·00	5·85	91·60
110·00	7·81	9·90	20·96	14·50	19·12	0·00	9·80	0·00	5·85	92·98

Gross earnings	Tax	N.I.	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
120·00	10·31	10·80	16·34	14·50	19·12	0·00	9·80	0·00	5·85	94·96
130·00	12·81	11·70	11·72	14·50	19·12	0·00	9·80	0·00	5·85	96·94
140·00	15·31	12·60	7·10	14·50	19·12	0·00	9·80	0·00	5·85	98·92
150·00	17·81	13·50	2·48	14·50	19·12	0·00	9·80	0·00	5·85	100·90
160·00	20·31	14·40	0·00	14·50	19·12	0·00	9·80	0·00	5·85	105·02
170·00	22·81	15·30	0·00	14·50	19·12	0·00	9·80	0·00	5·85	111·62
180·00	25·31	16·20	0·00	14·50	19·12	0·00	9·80	0·00	5·85	118·22

New Tax and Benefit system from April 1988
Married couple with three children aged 8, 11 and 15

Gross Earnings	Tax	N.I.	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·00	0·00	3·00	57·07	21·75	19·12	2·70	9·80	1·36	5·85	105·11
70·00	0·00	4·90	51·40	21·75	19·12	1·12	9·80	0·88	5·85	105·48
80·00	0·31	5·60	45·10	21·75	19·12	0·00	9·80	0·00	5·85	106·17
90·00	2·81	6·30	40·34	21·75	19·12	0·00	9·80	0·00	5·85	108·21
100·00	5·31	7·00	35·58	21·75	19·12	0·00	9·80	0·00	5·85	110·25
110·00	7·81	9·90	32·36	21·75	19·12	0·00	9·80	0·00	5·85	111·63
120·00	10·31	10·80	27·74	21·75	19·12	0·00	9·80	0·00	5·85	113·61
130·00	12·81	11·70	23·12	21·75	19·12	0·00	9·80	0·00	5·85	115·59
140·00	15·31	12·60	18·50	21·75	19·12	0·00	9·80	0·00	5·85	117·57
150·00	17·81	13·50	13·88	21·75	19·12	0·00	9·80	0·00	5·85	119·55
160·00	20·31	14·40	9·26	21·75	19·12	0·00	9·80	0·00	5·85	121·53
170·00	22·81	15·30	4·64	21·75	19·12	0·00	9·80	0·00	5·85	123·51
180·00	25·31	16·20	0·00	21·75	19·12	0·00	9·80	0·00	5·85	125·47

New Tax and Benefit system from April 1988
Married couple with four children aged 3, 8, 11 and 15

Gross Earnings	Tax	N.I.	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·00	0·00	3·00	63·12	29·00	19·12	1·04	9·80	0·85	5·85	116·24
70·00	0·00	4·90	57·45	29·00	19·12	0·00	9·80	0·00	5·85	116·78
80·00	0·31	5·60	51·15	29·00	19·12	0·00	9·80	0·00	5·85	119·47
90·00	2·81	6·30	46·39	29·00	19·12	0·00	9·80	0·00	5·85	121·51
100·00	5·31	7·00	41·63	29·00	19·12	0·00	9·80	0·00	5·85	123·55
110·00	7·81	9·90	38·41	29·00	19·12	0·00	9·80	0·00	5·85	124·93
120·00	10·31	10·80	33·79	29·00	19·12	0·00	9·80	0·00	5·85	126·91
130·00	12·81	11·70	29·17	29·00	19·12	0·00	9·80	0·00	5·85	128·89
140·00	15·31	12·60	24·55	29·00	19·12	0·00	9·80	0·00	5·85	130·87
150·00	17·81	13·50	19·93	29·00	19·12	0·00	9·80	0·00	5·85	132·85
160·00	20·31	14·40	15·31	29·00	19·12	0·00	9·80	0·00	5·85	134·83
170·00	22·81	15·30	10·69	29·00	19·12	0·00	9·80	0·00	5·85	136·81
180·00	25·31	16·20	6·07	29·00	19·12	0·00	9·80	0·00	5·85	138·79

New Tax and Benefit System from April 1988
Head of Family Classified as Long-Term Unemployed

Family Type	Net Weekly Spending Power on Income Support (£)
Single Person	30·29
Married Couple	48·34
Married Couple One Child Aged 11	72·97
Married Couple Two Children Aged 8 and 11	86·17
Married Couple Three Children Aged 8, 11 and 15	104·82
Married Couple Four Children Aged 3, 8, 11 and 15	117·40

Pensioners (Canada)

Sir John Farr: To ask the Secretary of State for Social Services (1) what is the reason why British pensioners living in Canada receive no pension uprating;

(2) if he has approached the Canadian Government recently to ascertain if it is prepared to enter into a social security agreement with Britain to provide for the future payment of pension increases to British pensioners living there.

Mr. Scott: The last occasion on which the United Kingdom Government asked the Canadian Government if they would be prepared to enter into a social security agreement with Britain to include the future payment of pension increases to British pensioners living in Canada was in 1972. At that time the Canadian Government were unable to enter into negotiations. Since then informal

discussions have taken place between officials from time to time. However, the substantial costs involved have prevented the United Kingdom from providing for the payment of pension increases.

Retail Prices Index (Error)

Mr. McAllion: To ask the Secretary of State for Social Services how many pensioners in *(a)* Scotland and *(b)* the United Kingdom as a whole lost financially as a result of the Government's recent error in calculating the retail prices index.

Mr. Scott: It is estimated that 10,000 pensioners in Scotland and 130,000 in Great Britain were undercompensated for the error in the retail prices index as a result of having more than one benefit paid on a single order book. Of nearly 10 million pensioners, the vast majority were fully compensated for the error.

Birth Statistics

Mr. Ashdown: To ask the Secretary of State for Social Services if he will estimate, on the basis of the latest figures available, the average cost to public funds of a normal birth at *(a)* hospital and *(b)* home.

Mrs. Currie: The estimated gross current health and personal social services expenditure per birth in 1985-86 was around £1,220. Separate costs for a normal birth at *(a)* home and *(b)* hospital are not available although we expect information about the average costs for all hospital births and home births will become available in 1989.

Housing Benefit

Mr. Home Robertson: To ask the Secretary of State for Social Services if he will estimate the cost to his Department of increased payments of housing beneft arising from the deregulation of rents under the Housing (Scotland) Bill; and what calculations he has made concerning the application of new criteria restricting benefit payments to people who live in unnecessarily large or unnecessarily expensive accommodation.

Mr. Portillo: It is not possible to make such estimates with any degree of precision, especially as the detailed arrangements are still under consideration.

Telephone Exchange for the Deaf

Mr. Cran: To ask the Secretary of State for Social Services what plans he has to assist the Royal National Institute for the Deaf, over and above sums guaranteed under the concerned technology scheme, with the funding needed to operate and develop the telephone exchange for the deaf on a long-term basis.

Mr. Scott: It was made clear to the Royal National Institute for the Deaf, when awarding a grant for 1987-88 and 1988-89 relating to the telephone exchange for the deaf, that this was for two years only and that when the grant expired it would be for the institute to find alternative sources of funding.

Married Couples (Pension)

Mr. Allen: To ask the Secretary of State for Social Services, pursuant to his answer to the hon. Member for Derby, South (Mrs. Beckett) 22 April, *Official Report*, column *602*, if he will give the figure for the married couple's pension on the same basis.

Mr. Scott: If the basic retirement pension had been increased in line with the overall increase in earnings between November 1978 and September 1987, the end of the period measured for the April 1988 uprating, the level of pension in April 1988 would be £75·35 for a couple.

Pensions (Housing Benefit)

Mr. Andrew Bowden: To ask the Secretary of State for Social Services how many additional pensioners will become eligible for housing benefit as a result of the increase in the capital limit to £8,000.

Mr. Portillo: An estimated 100,000 people, mostly pensioners, will be brought back within the scope of housing benefit as a result of increasing the capital cut-off point to £8,000.

Sheep (Radiation)

Mr. Martlew: To ask the Secretary of State for Social Services on how many occasions following the Chernobyl accident of April 1986, National Health Service whole body monitors were used to monitor the level of radiation in dead sheep; and at what hospitals this took place.

Mrs. Currie: I am advised that the Department is unaware of any such use of NHS whole-body monitors.

Electorate (Broxbourne)

Mr. Robert B. Jones: To ask the Secretary of State for Social Services whether he will set out a table showing the 1988 electorate for each ward in the borough of Broxbourne.

Mrs. Currie: The information requested is as follows:

Borough of Broxbourne

Ward Name	*Parliamentary electorate on the 1988 register*
Hoddesdon North	5,002
Rye Park	4,671
Hoddesdon Town	4,839
Broxbourne	5,621
Wormley/Turnford	4,695
Cheshunt North	4,955
Cheshunt Central	3,680
Theobalds	4,281
Waltham Cross North	3,218
Waltham Cross South	3,891
Bury Green	5,752
Rosedale	2,697
Flamstead End	4,833
Goff's Oak	3,540

Marriages

Mr. Jopling: To ask the Secretary of State for Social Services how many marriages took place in the United Kingdom in 1985, 1986 and 1987.

Mrs. Currie: For 1985 and 1986 the numbers were 393,000 and 394,000, respectively. The figure for 1987 is not yet available.

Electorate (Non-metropolitan Counties)

Mr. Simon Coombs: To ask the Secretary of State for Social Services if he will list the 20 English non-metropolitan counties which have shown the greatest percentage growth in electorate since 1978; and what have been the percentage growth and actual figures in each case.

Mrs. Currie: The information requested is as follows:

Non-metropolitan county	*Total electors*		*Difference*	
	1978	*1988*	*Actual*	*Percentage growth*
Buckinghamshire	377,325	467,696	90,371	24
Cambridgeshire	404,023	481,690	77,667	19
Wiltshire	359,905	425,945	66,040	18
Shropshire	260,741	307,120	46,379	18
Northamptonshire	369,929	430,161	60,232	16
Somerset	307,941	357,607	49,666	16
Hereford and Worcester	446,687	517,499	70,812	16
Lincolnshire	389,806	450,138	60,332	15
Dorset	450,002	518,161	68,159	15
Berkshire	473,307	544,491	71,184	15
Hampshire	1,029,882	1,184,705	154,823	15
Cornwall and Isles of Scilly	314,386	361,455	47,069	15
West Sussex	490,420	557,173	66,753	14
Suffolk	418,613	475,274	56,661	14
Oxfordshire	369,547	419,416	49,869	13
Norfolk	509,203	576,844	67,641	13
Bedfordshire	342,481	387,697	45,216	13
Gloucestershire	363,944	408,090	44,146	12
Essex	1,065,353	1,189,298	123,945	12
North Yorkshire	491,313	548,233	56,920	12

Hospitals (Beds)

Mr. Robin Cook: To ask the Secretary of State for Social Services what guidelines his Department uses in assessing the bed size of new general hospitals.

Mrs. Currie: I assume the hon. Member is referring to the number of beds. It is for health authorities to determine the number of beds required to meet planned levels of service provision. There are no restrictions on the size of a new district general hospital. Proposals for major capital investments are required by departmental guidance to be tested by option appraisal and submitted for approval by the Department where costs exceed £5 million. Proposals exceeding £10 million require Treasury approval. The option selected must represent best value for money taking account of local needs and circumstances.

Paupers' Funerals

Mr. Harry Greenway: To ask the Secretary of State for Social Services how many paupers' funerals there have been in each of the past 20 years; at what cost to public funds; and if he will make a statement.

Mrs. Currie: I regret that this information is not available centrally.

Mobility Allowance

Mr. Ashley: To ask the Secretary of State for Social Services if he will amend the regulations on mobility allowance, so that recipients of mobility allowance continue to receive this after the age of 75 years.

Mr. Scott: I refer the right hon. Member to my reply to my hon. Friend the Member for Exeter (Mr. Hannam) on 10 May at column *82*.

Nurses (Pay)

Mr. Robin Cook: To ask the Secretary of State for Social Services what assumptions were used on staffing levels, and the distribution of staff on the new clinical grading structure, in estimating the total cost of implementing the Nurses' and Midwives' Pay Review Body report.

Mr. Newton: Estimates of the total cost of implementing the recommendations of the review body for nursing staff, midwives and health visitors were based on the assumption that existing staff would be distributed to the new grading structure on the basis of existing duties and responsibilities.

National Health Service (40th Anniversary)

Mr. Robin Cook: To ask the Secretary of State for Social Services what plans his Department has to mark the 40th anniversary of the National Health Service.

Mr. Moore: As with the marking of previous National Health Service anniversaries, the main activity will be concentrated at local level. To commemorate the anniversary I shall, however, be hosting a reception to which long-serving National Health Service staff in some of the less prominent areas of work will be invited in recognition of their contribution to the service over the past four decades.

Social Security (Appeals)

Mr. Nigel Griffiths: To ask the Secretary of State for Social Services if he will give for social security tribunal appeals *(a)* the number of appeals outstanding in the United Kingdom, *(b)* the number of appeals outstanding in Scotland, *(c)* the approximate time it has taken for

appeals which are being heard this week to be processed from the date of receipt, *(d)* how long it will take for all outstanding appeals to be processed in the United Kingdom and *(e)* how long it will take for all outstanding appeals to be processed in Scotland; and if, in each case, he will give, where possible, the appeal by category of claim.

Mr. Portillo: The latest available administrative statistics on social security appeal tribunals for Great Britain relate to appeals heard in the second quarter of 1987. At June 1987 there were 107,307 appeals in Great Britain awaiting a hearing and the average time from lodgement of an appeal to the hearing in that quarter was 20·3 weeks. For the same period in Scotland there were 21,547 appeals awaiting a hearing and the average time from lodgement of an appeal to the hearing was 21·6 weeks. Appeals outstanding at June 1987 are shown in the table for each social security benefit for Scotland, England and Wales and Great Britain together with the average time between lodgement and hearing in each case.

I regret that it is not feasible to estimate the length of time it will take for all outstanding appeals in Great Britain and Scotland to be heard.

Great Britain in the Second Quarter of 1987

Benefit type	*No. of Appeals Outstanding*			*No. of Appeals Heard*		*Average Time Between Lodgement and Hearing (weeks)*	
	England and Wales	*Scotland*	*Great Britain*	*Scotland*	*Great Britain*	*Scotland*	*Great Britain*
All Types	85,760	21,547	107,307	6,396	38,705	21·6	20·3
Attendance Allowance	64	7	71	3	31	25·8	30·5
Child Benefit	816	71	887	61	579	36·5	24·4
Disablement Benefit	973	70	1,043	89	437	31·3	32·9
Family Income Supplement	686	55	741	3·4	343	20·1	19·3
Guardians Allowance	12	—	12	2	10	37·3	23·7
Industrial Death Benefit	29	1	30	1	16	32·0	28·9
Invalid Care Allowance	212	18	230	6	115	17·0	19·9
Invalidity Benefit	1,462	102	1,564	110	846	23·5	26·1
Maternity Benefit (Pre April 1987)	76	3	79	4	56	27·4	19·0
Maternity Allowance (From April 1987)	6	—	6	—	2	—	29·9
Mobility Allowance	315	41	356	29	358	25·1	19·1
One Parent Benefit	6	—	6	1	5	43·9	31·5
Retirement Pension	274	8	282	6	137	40·5	27·5
Severe Disablement Benefit	90	21	111	9	32	20·7	25·7
Sickness Benefit	370	21	391	20	275	24·7	23·8
Social Fund:							
Funeral Payments	40	1	41	—	5	—	17·0
Maternity Payments	32	9	41	—	4	—	10·5
Statutory Sick Pay	14	—	14	—	8	—	17·6
Supplementary Benefit							
Single Payments	25,760	5,636	31,396	4,559	22,348	20·5	19·1
Other Payments	11,744	1,761	13,505	1,015	7,708	24·3	22·1
Unemployment Benefit	8,521	1,022	9,543	484	5,142	23·3	19·6
Widows Benefit	81	2	83	1	75	18·6	36·1
Workmens Compensation:							
Pneumoconiosis and Byssinosis	6	1	7	1	6	13·3	13·0
Not Known	33,815	12,675	46,490	—	—	—	—
Others	356	22	378	11	167	14·7	29·2

Note: Some 43 per cent. of the statistical record did not indicate the benefit type; it is thought that the great majority of these relate to supplementary benefit weekly and single payment.

Legionnaire's Disease

Mr. Hannam: To ask the Secretary of State for Social Services in view of the further outbreak of Legionnaire's disease at the BBC, what steps are being taken to make regular bacteriological monitoring and treatment of cooling towers compulsory.

Mrs. Currie: The Health and Safety at Work etc. Act places a duty on employers to ensure, so far as is reasonably practicable, that employees and others who may be affected are not exposed to risks to their health. The Department's advice to health authorities is that in the absence of a quick test regular bacteriological monitoring is not appropriate unless legionella is suspected as a source of infection. Together with the Health and Safety Executive and a number of professinal bodies we have issued guidance on the cleaning and disinfection of cooling towers which emphasises the need for regular maintenance.

Mobility Allowance

Mr. Alfred Morris: To ask the Secretary of State for Social Services what representations his Department has received from Dr. Adrian Stokes, chairman of the executive committee of the Royal Association for Disability and Rehabilitation, about disregarding savings

of mobility allowance for the purposes of income support; what reply he has sent; what action he is taking; and if he will make a statement.

Mr. Scott: The Department received a letter from Dr. Stokes and I have replied that the normal capital rules will apply to savings of mobility allowance. This means that up to £6,000, equivalent to five years' savings at the current rate of mobility allowance, can be held without disqualifying a person from receiving income support. I have said elsewhere that I am prepared to look at any particular case of difficulty.

Birmingham Children's Hospital

Ms. Walley: To ask the Secretary of State for Social Services how many planned heart operations requiring intensive care unit support have taken place at the Birmingham children's hospital since 1 March; how many children remain on the waiting list requiring immediate treatment; where the job advertisements for ISU nursing staff have appeared; and if he will make a statement.

Mrs. Currie: I understand that, between 1 March and 16 May, 60 heart procedures that required post-operative intensive care were undertaken at the Birmingham children's hospital. At the end of April, 21 children were judged by clinicians to require heart surgery within the next eight weeks. Jobs for intensive care nursing staff have been advertised in the nursing press including the *Nursing Times*, and through job forums held in various locations.

The most urgent category within the waiting list, excluding emergency cases which cannot of course be predicted, is children judged by clinicians to require surgery within one month. During April, 10 such children were identified, all of whom have been treated.

Child Benefit

Mrs. Fyfe: To ask the Secretary of State for Social Services what was the value in real terms of child benefit at April 1988 in relation to its value at April 1979 based on the movement in the general index of retail prices during that period.

Mr. Scott: The information requested is not available as the general index of retail prices at April 1988 has not yet been published.

Housing Benefit

Mr. Kirkwood: To ask the Secretary of State for Social Services what would be the cost of treating the youth training allowance as earned income for the purposes of housing benefit entitlement.

Mr. Portillo: I regret that this information is not available.

Blood Transfusion Service (HIV Tests)

Dr. Owen: To ask the Secretary of State for Social Services how many people have had their blood tested for HIV, by the blood transfusion service, in the United Kingdom in each year from 1985; how many people were found to be positive and how many were then contacted; what is the current average cost to the transfusion service of an HIV test; and what other tests are also routinely undertaken and at what cost.

Mr. Newton *[holding answer 9 May 1988]:* All blood donations have been tested for antibody to HIV since October 1985. In the rare event that the test is positive the donor is contacted and offered counselling. The figures are shown in the table.

	[1]*1985*	*1986*	*1987*
Number of donations tested for HIV antibody	611,694	2,633,862	2,594,964
Number of donations found HIV antibody positive	14	54	24
Number of people who gave an HIV antibody positive donation and who could not be contacted	None	1	2

[1] October to December only.

The current average cost to the blood transfusion service of an HIV antibody test (including the cost of the test kit and overheads) is estimated at 90p per donation. Other tests routinely undertaken are those for hepatitis B surface antigen, syphilis, blood grouping and the level of haemoglobin. Precise costings for these tests are not held centrally.

Factor VIII

Dr. Owen: To ask the Secretary of State for Social Services what was the United Kingdom consumption of factor VIII in 1974 and all subsequent years for which the figures are available; and what has been *(a)* the annual production level of factor VIII from the original and new blood products laboratory, Elstree, over the same period and *(b)* the capital investment and revenue commitment for United Kingdom production of factor VIII during this period.

Mr. Newton *[holding answer 9 May 1988]:* The blood products laboratory (Elstree) currently supplies only England and Wales. Scotland has its own facility which also serves Northern Ireland. Information relating to Scotland and Northern Ireland is a matter for my right hon. and learned Friend the Secretary of State for Scotland and my right hon. Friend the Secretary of State for Northern Ireland. Where information is not held, or is not held in the form requested, this is indicated in the notes.

Calendar Year	Consumption of Factor VIII in England and Wales[1] (millions of international units)	Production of Factor VIII by the Blood Products Laboratory (millions of international units)	Financial Year	Capital expenditure on Blood Products Laboratories (£ millions)[4]	Revenue expenditure on Blood Products Laboratories (£ millions)[4]
1974	[2]5·2	2·4	74-75	—	0·5
1975	[2]7·7	2·9	75-76	—	0·8
1976	16·5	6·1	76-77	—	0·7
1977	26·5	11·8	77-78	—	0·9
1978	32·2	14·7	78-79	—	1·2
1979	39·3	14·9	79-80	—	1·6
1980	44·7	11·9	80-81	—	2·7
1981	53·3	19·8	81-82	—	[5]3·0
1982	63·2	21·6	82-83	1·2	3·6
1983	59·9	30·1	83-84	6·1	5·0
1984	71·8	27·4	84-85	16·6	6·3
1985	66·2	22·1	85-86	12·6	5·8
1986	77·9	22·5	86-87	14·8	8·3
1987	n/a	20·3	87-88	[6]9·0	[6]10·0
1988	n/a	[3]56·5	88-89	[6]5·0	[6]12·6

Notes:
[1] Figures until 1984 include a small amount consumed in Northern Ireland.
[2] Figures for haemophilia 'A' patients only.
[3] Production prior to 1988 was in the original laboratory; 1988 production is in the new laboratory. The figure for 1988 is an estimate and reflects the lower levels of production achieved early in the year which have now been surpassed.
[4] (a) For years prior to 1982-83 capital and revenue are not separable and all expenditure is included under revenue;
(b) Expenditure on factor VIII is not separately identifiable;
(c) Expenditure on associated blood laboratories is included from 1979-80 to 1982-83.
(d) From 1983-84 the expenditure is for the whole of the Central Blood Laboratories Authority.
[5] Estimated.
[6] Allocated cash limits.

NATIONAL FINANCE

Tax Thresholds

Ms. Mowlam: To ask the Chancellor of the Exchequer if he will provide tax thresholds *(a)* for a single person, and *(b)* for a married couple as a percentage of average earnings for each of the years 1958, 1963, 1968, 1973, 1978, 1983 and 1988.

Mr. Norman Lamont: The information is in the table:

Tax year	Single person		Married man without children	
	Income tax threshold at current prices £	Threshold as percentage of average earnings per cent.	Income tax threshold at current prices £	Threshold as percentage of average earnings per cent.
1958-59	193	23·8	322	39·7
1963-64	285	29·8	440	46·0
1968-69	283	21·7	437	33·5
1973-74	595	26·4	775	34·3
1978-79	985	20·4	1,535	31·8
1983-84	1,785	20·1	2,795	31·4
1988-89	2,605	20·5	4,095	32·2

Average earnings are those for men in all occupations paid at adult rates who work a full week and whose pay is unaffected by absence. This figure is projected to 1988-89 in accordance with the assumptions given to the Government Actuary for reviewing national insurance contributions in paragraph 3·02 of the Autumn Statement 1987.

Income Tax

Ms. Mowlam: To ask the Chancellor of the Exchequer how many people were paying income tax, detailed at each tax banding, during tax year 1988-89.

Mr. Norman Lamont: On the basis of the Budget proposals for income tax, it is estimated that 19·7 million single people and married couples will be liable to income tax at the basic rate only and 1·2 million will be liable at the higher tax rate of 40p.

Mr. Sackville: To ask the Chancellor of the Exchequer what is his latest estimate of the revenue effect of cutting the top rates of income tax to a single higher rate of 40 per cent.

Mr. Roger King: To ask the Chancellor of the Exchequer what is his latest estimate of the revenue effect of cutting the top rates of income tax to a single higher rate of 40 per cent.

Mr. Norman Lamont: Table 4.1 of the Financial Statement and Budget Report gives the latest estimates.

The abolition of rates above 40 per cent. is expected to reduce income tax receipts by £965 million in 1988-89 and £2,070 million in 1989-90 compared with an indexed base.

Mr. Wigley: To ask the Chancellor of the Exchequer what recent representations he has received concerning changes in the income tax regime arising from the Budget.

Mr. Norman Lamont: I refer the hon. Member to the answer I gave on 14 April to the hon. Member for Ynys Môn (Mr. Jones) at column *230*.

Mr. Bowis: To ask the Chancellor of the Exchequer how many higher rates of income tax have been eliminated since 1979.

Mr. John M. Taylor: To ask the Chancellor of the Exchequer how many higher rates of income tax have been eliminated since 1979.

Mr. Norman Lamont: Since 1979 the number of higher rates has been reduced from nine to just one. In addition, the investment income surcharge has been abolished.

Mr. Salmond: To ask the Chancellor of the Exchequer if he will estimate by county and English region the number of adults who, as a result of tax changes outlined in the Budget, will *(a)* pay no income tax, *(b)* pay income tax at the lower rate and *(c)* pay income tax at the higher rate; and if he will express these numbers as a percentage of the adult population.

Mr. Norman Lamont *[holding answer 13 April 1988]*: As a result of the income tax changes in the Budget, it is estimated that 750,000 fewer adults will be liable to income tax and about 270,000 fewer single people and married couples will be liable to income tax at the higher rate than if allowances and thresholds had remained at 1987-88 levels.

The table gives provisional estimates of taxpayers in the United Kingdom in 1988-89 following the Budget.

	Single People		*Married Couples*		*Single People and Married Couples*	
	million	*percentage*[1]	*million*	*percentage*[1]	*million*	*percentage*[1]
Not liable to income tax	9·20	28	2·50	8	11·70	36
Liable to income tax at the basic rate only	9·40	29	10·30	32	19·70	60
Liable to income tax at the higher rate	0·25	1	1·00	3	1·25	4

[1] Percentage of all single people and married couples.

I regret that corresponding information for counties and English regions is not available. Estimates of the number of taxpayers in 1985-86, the latest year for which regional information is available are given in the table.

Number of taxpayers in 1985-86

Thousands

Region	*Liable at basic rate*[3]			*Liable at higher rates*[4]		
	All tax units[1]	*Single*	*Married*	*All tax units*[1]	*Single*	*Married*
North	1,000	410	580	30	5	25
Yorkshire & Humberside	1,570	650	920	55	10	45
North West	2,070	990	1,080	75	10	65
East Midlands	1,310	590	710	40	5	35
West Midlands	1,700	810	890	60	10	50
East Anglia	660	290	370	35	5	30
South East	6,200	3,370	2,830	480	85	395
South West	1,490	690	800	70	10	55
Wales	800	360	440	30	5	25
Scotland	1,690	770	920	75	10	65
Northern Ireland	430	210	220	20	5	15
United Kingdom[2]	19,210	9,280	9,930	970	160	815

[1] Married couples count as one unit.
[2] Includes members of the Forces and Merchant Navy and a small number of civil servants serving abroad who have not been allocated to regions.
[3] Excludes taxpayers who are only liable to composite rate tax.

Channel Islands

Mr. Foulkes: To ask the Chancellor of the Exchequer what representations he has received seeking any extension of the clauses of the Finance Bill to either the Channel Islands or the Isle of Man; and if he will make a statement on Her Majesty's Government's policy in this respect.

Mr. Norman Lamont: My right hon. Friend has received no such representations.

Budget (Select Committee Report)

Mr. Win Griffiths To ask the Chancellor of the Exchequer when he expects to make the Government's formal response to the fourth report from the Treasury and Civil Service Committee on the Budget, House of Commons Paper No. 400 of Session 1987-88.

Mr. Norman Lamont: The Government hope to respond to the Committee's recommendations shortly.

Building Industry (Tax Returns)

Rev. Martin Smyth: To ask the Chancellor of the Exchequer if he will make a statement about tax returns in the building industry.

Mr. Norman Lamont: Individuals and companies in the building industry are required by statute to make tax returns in the same way as in other industries. Contractors are also required to make returns of payments to sub-contractors and of deductions from payments they make to uncertificated sub-contractors.

Forestry (Tax Exemptions)

Mr. Ron Davies: To ask the Chancellor of the Exchequer what representations he has received seeking revision of his policy of allowing tax exemptions for forestry to continue during a transitional period for landowners with prior planting approval; what response he has made; and if he will make a statement.

Mr. Norman Lamont: We have received no representations of this nature.

Child Benefit

Mr. Jack: To ask the Chancellor of the Exchequer (1) how many family units with annual gross earnings of £20,000 to £25,000 and £25,000 and above receive child benefit; and what is the value of these payments for each income group;

(2) how many family units who pay higher rate income tax receive child benefit; and how much these payments cost.

Mr. Norman Lamont: Estimates for 1988-89 are as follows:

	Number of tax units receiving child benefit (thousands)	*Cost of child benefit (£ million)*
Earned income:		
£20,000 to £25,000	600	400
£25,000 and over	690	470
Higher rate taxpayers	500	350

Corporation Tax

Mr. Barry Field: To ask the Chancellor of the Exchequer by how much the standard rate of corporation tax has been reduced since 1979.

Mr. Norman Lamont: The main rate of corporation tax was 52 per cent. for the financial year commencing 1 April 1979. The proposed rate for 1988-89 is 35 per cent.

Taxes

Mr. Nicholas Bennett: To ask the Chancellor of the Exchequer what is his estimate of the weekly income tax payment for *(a)* a single man on average earnings and *(b)* a married man with two children aged five and eight years on average earnings and with no other sources of income, at 1988 prices, on the basis of those income tax rates prevailing in 1978 with personal allowances uprated in line with rises in the retail price index; and what are the figures in each case following the implementation of the tax proposals contained in the 1988 Budget.

Mr. Norman Lamont: The table shows the weekly income tax payments of a single man and a married man on average earnings under the tax regime proposed in the 1988 Budget and under the 1978-79 regime indexed to 1988-89 levels according to the statutory formula. Since child tax allowances were being phased out in 1978-79 they have been excluded from the calculation of the indexed regime. Children do not affect a taxpayer's tax liability in 1988-89, but a married man with two children would be entitled to £14·50 per week in child benefit.

Average earnings are those for full-time males paid at adult rates whose pay is unaffected by absence and are estimated at £244·70 per week in 1988-89.

Weekly income tax liability at average earnings (£)

Indexed	*Single*	*Married man*
1978-79	64·66	57·11
1988-89	48·65	41·49
Difference	16·01	15·62

Mr. Nigel Griffiths: To ask the Chancellor of the Exchequer if, in the manner of his reply of 1 May 1987, *Official Report*, columns *291-93*, he will update, to take account of the 1988 Budget, the information on tax and national insurance for different income ranges and household types.

Mr. Norman Lamont *[holding answer 5 May 1988]:* The first table gives the ranges of earnings where income tax and national insurance contributions form a smaller proportion of gross earnings in 1988-89 than in 1978-79 for various family types. The second table gives the number of single people and married couples whose main source of income is earnings and whose total income is in the ranges specified in the previous table.

Range of earnings[1] where income tax[2] and national insurance contribution[3] form a smaller proportion of gross earnings in 1988-89 than in 1978-79 under the assumptions in the footnotes below

	Range of earnings[1]				
Family type	*Up to*	*Other ranges*			*Over*
Single					
£ per week	40		47·69	94·104	128
Percentage of average earnings[5]	10		19·28	39·42	53
Married couple both working[4]—no children					
£ per week	68	77·10	120·174		318
Percentage of average earnings[5]	16	19·25	30·42		79

Family type	Range of earnings[1] Up to	Other ranges	Over
Husband only working—no children			
£ per week	40	47–69	165
Percentage of average earnings[5]	16	19–28	68
—Two children			
£ per week	40	47–80	209
Percentage of average earnings[5]	16	19–33	86
—Four children			
£ per week	40	47–84	283
Percentage of average earnings[5]	16	19–34	116

[1] In each of the ranges of percentages of average earnings shown, tax plus national insurance contribution is a smaller proportion of earnings in 1988-89 than in 1978-79. The income levels in £ per week are at 1988-89 levels, rounded to the nearest £1. It is assumed that the taxpayer has no investment income and no relief or allowance other than the appropriate personal allowance.
[2] Less child benefit, where appropriate.
[3] At contracted-in rates.
[4] On the assumption that husband and wife each have the same multiple of the appropriate all occupations figure for average earnings (full-time males and females respective).
[5] Average earnings of full-time males (all occupations) are £92·80 in 1978-79 and £244·70 in 1988-89, for females £59·60 and £161·80 respectively.
[6] Percentage of joint income.

Single people and married couples liable to income tax whose main sources of income is earnings from employment

Family type	1988-89 Range of income[1] £ per week	Numbers '000
Single	Up to 40	0
	41-46	0
	47-69	610
	70-93	920
	94-104	460
	105-128	1,080
	Over 128	4,480
Married		
Both working	Up to 68	0
	69-76	0
	77-103	10
	104-119	220
	120-174	2,050
	175-318	870
	Over 318	2,900
One working	Up to 40	0
	41-46	0
	47-69	0
	70-165	620
	Over 165	2,930

[1] The income levels are those for single people and childless married couples at which, if income were all earned, tax and NIC would be the same proportion of earnings in 1978-79 and 1988-89 (see previous table). Reliable estimates which take account of the numbers of children in each family are not possible.

Mr. Nigel Griffiths: To ask the Chancellor of the Exchequer if he will publish in the *Official Report* the tax-unit and tax cut statistics for the income ranges £5,000 to £7,500, £7,500 to £10,000, £50,000 to £70,000, and over £70,000, in the same manner as the reply on 19 April, *Official Report*, columns *419-20*.

Mr. Norman Lamont *[holding answer, 5 May 1988]*: Estimates for the income ranges requested are as follows. The table shows the estimates of reductions in income tax liabilities at 1988-89 income levels, of the proposed 1988-89 allowances, thresholds and rates, compared with an indexed 1978-79 regime. For the comparison, the 1978-79 allowances and thresholds have been indexed in line with the increase in the retail price index between December 1977 and December 1987. As child tax allowances were being phased out in 1978-79, they have been excluded from the comparison.

Range of income in 1988-89[1] £	Number of units paying tax in 1988-89 (Million)	Reductions in income tax compared with 1978-79 indexed regime Amount (£ Million)	Average per tax unit (£)
5,000- 7,500	3·70	1,030	[2]270
7,500-10,000	3·30	1,460	[2]440
50,000-70,000	0·15	1,250	9,160
Over 70,000	0·10	3,530	37,550

[1] All information is in terms of tax units, that is, married couples are counted as one unit and their incomes combined.
[2] By reference to the estimated numbers who would be liable to pay tax under the indexed 1978-79 regime; this number is some 1,100,000 greater than the numbers expected to pay tax in 1988-89, some 175,000 in the range £5,000 to £7,500, and 25,000 in the range £7,500 to £10,000.

Mr. Nigel Griffiths: To ask the Chancellor of the Exchequer if he will publish in the *Official Report* the table of real changes in the various categories of tax between 1978-79 and 1988-89, using the same format of his reply given on 1 May 1987, *Official Report*, column *295*.

Mr. Norman Lamont *[holding answer 5 May 1988]*: I would refer the hon. Member to the answer I gave on 22 March 1988 to the hon. Member for Birmingham, Perry Barr (Mr. Rooker), at columns *97-8*.

Wheat Prices

Mr. Ralph Howell: To ask the Chancellor of the Exchequer if he will state the figures for the world price of wheat which were used in compiling his Department's economic progress report, February 1988, with particular reference to chart 1 — price adjustments gap: cereals; and what is the basis for the statement that in the European Community farmers are paid three times world prices for wheat, barley etc.

Mr. Lilley: As stated in the economic progress report article, the charts containing estimates of the price

adjustment gap for various agricultural products were taken from "The Political Economy of International Agricultural Policy Reform" published by the Department of Primary Industry, Australia (Canberra 1986) which gives details of estimated representative world food prices.

Personal Taxation

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will update the information in his reply to the hon. Member for Blackburn (Mr. Straw) about personal taxation of 27 March 1987, *Official Report*, columns *312-340*, and 1 May 1987, *Official Report*, columns *291-294*, to include the years 1988-89.

Mr. Norman Lamont *[holding answer 18 April 1988]*: The figures are given in the tables. For the intervening years I refer the hon. Member to my reply to the hon. Member for Blackburn (Mr. Straw) on 27 March 1987, at columns *312-40*. For the second part of his question I refer the hon. Member to my reply to the hon. Member for Edinburgh, South (Mr. Griffiths) today.

50 per cent. of average male earnings (£122·35 a week in 1988-89)

	Single			*Married no children*			*Married both working*			*Married 2 Children*		
	£ per week	*£ per week 1987-88 prices*	*Per cent. of gross income*	*£ per week*	*£ per week 1987-88 prices*	*Per cent. of gross income*	*£ per week*	*£ per week 1987-88 prices*	*Per cent. of gross income*	*£ per week*	*£ per week 1987-88 prices*	*Per cent. of gross income*
1978-79												
Income tax	7·91	15·90	17·0	4·42	8·88	9·5	0·00	0·00	0·0	3·26	6·55	6·3
NIC	3·02	6·07	6·5	3·02	6·07	6·5	3·02	6·07	6·5	3·02	6·07	5·9
Total	10·93	21·97	23·6	7·44	14·95	16·0	3·02	6·07	6·5	6·28	12·62	12·2
1987-88												
Income tax	18·43	18·43	16·0	11·32	11·32	9·9	0·00	0·00	0·0	11·32	11·32	8·7
NIC	10·34	10·34	9·0	10·34	10·34	9·0	7·12	7·12	6·2	10·34	10·34	8·0
Total	28·77	28·77	25·0	21·66	21·66	18·9	7·12	7·12	6·2	21·66	21·66	16·7
1988-89												
Income tax	18·06	17·37	14·8	10·90	10·48	8·9	0·00	0·00	0·0	10·90	10·48	8·0
NIC	11·01	10·59	9·0	11·01	10·59	9·0	7·59	7·30	6·2	11·01	10·59	8·0
Total	29·07	27·95	23·8	21·91	21·07	17·9	7·59	7·30	6·2	21·91	21·07	16·0

75 per cent. of average male earnings (£183·52 a week in 1988-89)

	Single			*Married no children*			*Married both working*			*Married 2 Children*		
	£ per week	*£ per week 1987-88 prices*	*Per cent. of gross income*	*£ per week*	*£ per week 1987-88 prices*	*Per cent. of gross income*	*£ per week*	*£ per week 1987-88 prices*	*Per cent. of gross income*	*£ per week*	*£ per week 1987-88 prices*	*Per cent. of gross income*
1978-79												
Income Tax	15·56	31·27	22·4	12·07	24·26	17·3	5·28	10·61	7·6	10·80	21·70	14·5
NIC	4·52	9·08	6·5	4·52	9·08	6·5	4·52	9·08	6·5	4·52	9·08	6·0
VAT	1·80	3·62	2·6	1·67	3·35	2·4	2·02	4·07	2·9	1·82	3·67	2·4
Other indirect	6·24	12·54	9·0	7·19	14·46	10·3	8·27	16·63	11·9	7·00	14·07	9·4
Total of above	28·12	56·51	40·4	25·45	51·15	36·6	20·10	40·39	28·9	24·14	48·52	32·3
Domestic rates	2·38	4·79	3·4	2·35	4·72	3·4	2·89	5·80	4·1	2·37	4·76	3·2
Total	30·50	61·30	43·8	27·80	55·87	39·9	22·98	46·219	33·0	26·51	53·28	35·5
1987-88												
Income Tax	33·94	33·94	19·7	26·83	26·83	15·6	14·24	14·24	8·3	26·83	26·83	14·4
NIC	15·51	15·51	9·0	15·51	15·51	9·0	14·13	14·13	8·2	15·51	15·51	8·3
VAT	8·33	8·33	4·8	7·72	7·72	4·5	8·88	8·88	5·2	7·88	7·88	4·2
Other indirect	14·06	14·06	8·2	15·76	15·76	9·1	18·37	18·37	10·7	15·69	15·69	8·4
Total of above	71·84	71·84	41·7	65·82	65·82	38·2	55·62	55·62	32·3	65·91	65·91	35·3
Domestic rates	6·98	6·98	4·0	6·85	6·85	4·0	8·45	8·45	4·9	6·83	6·83	3·7
Total	78·82	78·82	45·7	72·67	72·67	42·2	64·07	64·07	37·2	72·74	72·74	38·9
1988-89												
Income Tax	33·36	32·08	18·2	26·19	25·18	14·3	13·67	13·14	7·4	26·19	25·18	13·2
NIC	16·52	15·88	9·0	16·52	15·88	9·0	15·05	14·47	8·2	16·52	15·88	8·3
VAT	9·27	8·91	5·0	8·57	8·24	4·7	9·76	9·38	5·3	8·67	8·33	4·4
Other indirect	15·06	14·48	8·2	16·83	16·18	9·2	19·42	18·68	10·6	16·62	15·98	8·4
Total of above	74·20	71·35	40·4	68·11	65·49	37·1	57·90	55·67	31·5	67·99	65·38	34·3
Domestic rates	8·00	7·69	4·4	7·81	7·51	4·3	9·58	9·21	5·2	7·76	7·46	3·9
Total	82·20	79·04	44·8	75·92	73·00	41·4	67·48	64·89	36·8	75·75	72·84	38·3

100 per cent. of average male earnings (£244·70 a week in 1988-89)

	Single			Married no children			Married both working			Married 2 children		
	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income
1978-79												
Income tax	23·22	46·67	25·0	19·73	39·65	21·3	12·32	24·76	13·3	18·46	37·10	18·8
NIC	6·03	12·12	6·5	6·03	12·12	6·5	6·03	12·12	6·5	6·03	12·12	6·2
VAT	2·48	4·98	2·7	2·38	4·79	2·6	2·79	5·62	3·0	2·44	4·91	2·5
Other indirect	7·59	15·24	8·2	8·55	17·19	9·2	9·57	19·23	10·3	7·98	16·03	8·1
Total of above	39·31	79·01	42·4	36·70	73·75	39·5	30·71	61·72	33·1	34·91	70·16	35·6
Domestic rates	2·87	5·77	3·1	2·70	5·43	2·9	3·08	6·18	3·3	2·79	5·60	2·8
Total	42·18	84·78	45·5	39·40	79·18	42·5	33·79	67·91	36·4	37·70	75·76	38·5
1987-88												
Income tax	49·45	49·45	21·5	42·34	42·34	18·4	29·75	29·75	12·9	42·34	42·34	17·3
NIC	20·68	20·68	9·0	20·68	20·68	9·0	18·84	18·84	8·2	20·68	20·68	8·5
VAT	11·18	11·18	4·9	10·82	10·82	4·7	12·28	12·28	5·3	11·39	11·39	4·7
Other indirect	17·50	17·50	7·6	19·20	19·20	8·4	21·48	21·48	9·3	18·41	18·41	7·5
Total of above	98·81	98·81	43·0	93·04	93·04	40·5	82·36	82·36	35·8	92·82	92·82	38·0
Domestic rates	8·48	8·48	3·7	7·94	7·94	3·5	9·01	9·01	3·9	8·12	8·12	3·3
Total	107·29	107·29	46·7	100·98	100·98	43·9	91·37	91·37	39·8	100·94	100·94	41·3
1988-89												
Income tax	48·65	46·78	19·9	41·49	39·89	17·0	28·96	27·85	11·8	41·49	39·89	16·0
NIC	22·02	21·17	9·0	22·02	21·17	9·0	20·07	19·30	8·2	22·02	21·17	8·5
VAT	12·45	11·97	5·1	12·04	11·58	4·9	13·57	13·04	5·5	12·60	12·11	4·9
Other indirect	18·78	18·06	7·7	20·56	19·77	8·4	22·79	21·91	9·3	19·56	18·80	7·5
Total of above	101·91	97·99	41·6	96·12	92·42	39·3	85·39	82·10	34·9	95·66	91·99	36·9
Domestic rates	9·74	9·37	4·0	9·08	8·73	3·7	10·24	9·85	4·2	9·25	8·90	3·6
Total	111·65	107·36	45·6	105·19	101·15	43·0	95·63	91·95	39·1	104·92	100·88	40·5

150 per cent. of average male earnings (£367·05 a week in 1988-89)

	Single			Married no children			Married both working			Married 2 Children		
	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income
1978-79												
Income tax	38·53	77·43	27·7	35·04	70·42	25·2	27·64	55·55	19·9	32·77	67·87	23·4
NIC	7·80	15·68	5·6	7·80	15·68	5·6	9·05	18·19	6·5	7·80	15·68	5·4
VAT	3·89	7·82	2·8	3·88	7·80	2·8	4·27	8·58	3·1	3·74	7·52	2·6
Other indirect	10·40	20·90	7·5	11·39	22·90	8·2	12·05	24·21	8·7	10·01	20·13	6·9
Total of above	60·62	121·83	43·5	58·11	116·79	41·7	53·01	106·53	38·1	55·33	111·19	38·3
Domestic rates	3·89	7·83	2·8	3·44	6·92	2·5	3·44	6·92	2·5	3·66	7·36	2·5
Total	64·51	129·66	46·3	61·56	123·72	44·2	56·45	113·44	40·6	58·99	118·55	40·9
1987-88												
Income tax	80·48	80·48	23·3	73·36	73·36	21·3	60·77	60·77	17·6	73·36	73·36	20·4
NIC	26·55	26·55	7·7	26·55	26·55	7·7	31·02	31·02	9·0	26·55	26·55	7·4
VAT	17·21	17·21	5·0	17·39	17·39	5·0	18·83	18·83	5·5	18·83	18·83	5·2
Other indirect	24·80	24·80	7·2	26·49	26·49	7·7	27·48	27·48	8·0	24·18	24·18	6·7
Total of above	149·05	149·05	43·2	143·80	143·80	41·7	138·11	138·11	40·1	142·92	142·92	39·8
Domestic rates	11·67	11·67	3·4	10·25	10·25	3·0	10·11	10·11	2·9	10·85	10·85	3·0
Total	160·72	160·72	46·6	154·05	154·05	44·7	148·21	148·21	43·0	153·77	153·77	42·8
1988-89												
Income tax	79·24	76·19	21·6	72·07	69·30	19·6	59·55	57·26	16·2	72·07	69·30	18·9
NIC	27·45	26·39	7·5	27·45	26·39	7·5	33·03	31·76	9·0	27·45	26·39	7·2
VAT	19·27	18·53	5·2	19·46	18·71	5·3	20·91	20·11	5·7	21·00	20·19	5·5
Other indirect	26·75	25·72	7·3	28·56	27·46	7·8	29·28	28·15	8·0	25·84	24·85	6·8
Total of above	152·70	146·83	41·6	147·54	141·87	40·2	142·77	137·28	38·9	146·36	140·74	38·4
Domestic rates	13·48	12·96	3·7	11·79	11·34	3·2	11·51	11·07	3·1	12·45	11·98	3·3
Total	166·18	159·79	45·3	159·33	153·20	43·4	154·29	148·35	42·0	158·82	152·71	41·6

200 per cent. of average male earnings (£489·40 a week in 1988-89)

	Single			Married no children			Married both working			Married 2 Children		
	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income
1978-79												
Income tax	54·74	110·01	29·5	50·51	101·51	27·2	42·95	86·32	23·1	49·08	98·64	25·7
NIC	7·80	15·68	4·2	7·80	15·68	4·2	12·06	24·24	6·5	7·80	15·68	4·1
Total	62·54	125·69	33·7	58·31	117·19	31·4	55·01	110·55	29·6	56.88	114·31	29·8
1987-88												
Income tax	121·47	121·47	26·4	109·90	109·90	23·9	91·80	91·80	20·0	109·90	109·90	23·2
NIC	26·55	26·55	5·8	26·55	26·55	5·8	41·36	41·36	9·0	26·55	26·55	5·6
Total	148·02	148·02	32·2	136·45	136·45	29·7	133·16	133·16	29·0	136·45	136·45	28·8
1988-89												
Income tax	120·05	115·43	24·5	108·59	104·42	22·2	90·14	86·67	18·4	108·59	104·42	22·5
NIC	27·45	26·39	5·6	27·45	26·39	5·6	44·05	42·36	9·0	27·45	26·39	5·4
Total	147·50	141·83	30·1	136·04	130·81	27·8	134·19	129·03	27·4	136·04	130·81	27·0

300 per cent. of average male earnings (£734·10 a week in 1988-89)

	Single			Married no children			Married both working			Married 2 Children		
	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income
1978-79												
Income tax	102·89	206·78	37·0	96·54	194·02	34·7	77·06	154·87	27·7	94·23	189·38	33·2
NIC	7·80	15·68	2·8	7·80	15·68	2·8	15·04	30·23	5·4	7·80	15·68	2·8
Total	110·69	222·46	39·8	104·34	209·69	37·5	92·10	185·10	33·1	102·03	205·05	36·0
1987-88												
Income tax	232·71	232·71	33·8	219·42	219·42	31·8	163·92	163·92	23·8	219·42	219·42	31·2
NIC	26·55	26·55	3·9	26·55	26·55	3·9	51·37	51·37	7·5	26·55	26·55	3·8
Total	259·26	259·26	37·6	245·97	245·97	35·7	215·29	215·29	31·2	245·97	245·97	34·9
1988-89												
Income tax	217·93	209·55	29·7	206·47	198·53	28·1	161·36	155·16	22·0	206·47	198·53	27·6
NIC	27·45	26·39	3·7	27·45	26·39	3·7	53·88	51·81	7·3	27·45	26·39	3·7
Total	245·38	235·95	33·4	233·92	224·93	31·9	215·24	206·97	29·3	233·92	224·93	31·2

500 per cent. of average male earnings (£1,223·50 a week in 1988-89)

	Single			Married no children			Married both working			Married 2 Children		
	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income
1978-79												
Income tax	234·37	471·02	50·5	226·44	455·08	48·8	157·63	316·79	34·0	223·55	449·27	47·7
NIC	7·80	15·68	1·7	7·80	15·68	1·7	15·60	31·35	3·4	7·80	15·68	1·7
Total	242·17	486·69	52·2	234·24	470·76	50·5	173·23	348·14	37·3	231·35	464·95	49·3
1987-88												
Income tax	501·00	501·00	43·6	485·19	485·19	42·2	354·18	354·18	30·8	485·19	485·19	41·7
NIC	26·55	26·55	2·3	26·55	26·55	2·3	53·10	53·10	4·6	26·55	26·55	2·3
Total	527·55	527·55	45·9	511·74	511·74	44·5	407·28	407·28	35·4	511·74	511·74	44·0
1988-89												
Income tax	413·69	397·79	33·8	402·23	386·77	32·9	337·98	324·99	27·6	402·23	386·77	32·5
NIC	27·45	26·39	2·2	27·45	26·39	2·2	54·90	52·79	4·5	27·45	26·39	2·2
Total	441·14	424·18	36·1	429·68	413·16	35·1	392·88	377·78	32·1	429·68	413·16	34·7

700 per cent. of average male earnings (£1,712·90 a week in 1988-89)

	Single			Married no children			Married both working			Married 2 Children		
	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income
1978-79												
Income tax	387·10	777·96	59·6	378·32	760·32	58·2	270·44	543·51	41·6	375·13	753·91	57·3
NIC	7·80	15·68	1·2	7·80	15·68	1·2	15·60	31·35	2·4	7·80	15·68	1·2
Total	394·90	793·64	60·8	386·12	775·99	59·4	286·04	574·86	44·0	382·93	769·58	58·5
1987-88												
Income tax	776·76	776·76	48·3	760·95	760·95	47·3	600·31	600·31	37·3	760·95	760·95	46·9
NIC	26·55	26·55	1·7	26·55	26·55	1·7	53·10	53·10	3·3	26·55	26·55	1·6
Total	803·31	803·31	49·9	787·50	787·50	49·0	653·41	653·41	40·6	787·50	787·50	48·5
1988-89												
Income tax	609·45	586·02	35·6	586·99	575·00	34·9	533·74	513·22	31·2	597·99	575·00	34·6
NIC	27·45	26·39	1·6	27·45	26·39	1·6	54·90	52·79	3·2	27·45	26·39	1·6
Total	636·90	612·42	37·2	625·44	601·40	36·5	588·64	566·01	34·4	625·44	601·40	36·2

1,0000 per cent. of average male earnings (£2,447·00 a week in 1988-89)

	Single			Married no children			Married both working			Married 2 Children		
	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income
1978-79												
Income tax	618·17	1,242·35	66·6	609·39	1,224·70	65·7	475·02	954·66	51·2	606·20	1,218·29	65·0
National insurance contributions	7·80	15·68	0·8	7·80	15·68	0·8	15·60	31·35	1·7	7·80	15·68	0·8
TOTAL	625·97	1,258·03	67·5	617·19	1,240·38	66·5	490·62	986·01	52·9	614·00	1,233·97	65·8
1987-88												
Income tax	1,190·40	1,190·40	51·8	1,174·59	1,174·59	51·1	1,001·99	1,001·99	43·6	1,174·59	1,174·59	50·8
National insurance contributions	26·55	26·55	1·2	26·55	26·55	1·2	53·10	53·10	2·3	26·55	26·55	1·1
TOTAL	1,216·95	1,216·95	53·0	1,210·14	1,201·14	52·3	1,055·09	1,055·09	45·9	1,201·14	1,201·14	51·9
1988-89												
Income tax	903·09	868·37	36·9	891·63	857·35	36·4	827·38	795·57	33·8	891·63	857·35	36·2
National insurance contributions	27·45	26·39	1·1	27·45	26·39	1·1	54·90	52·79	2·2	27·45	26·39	1·1
TOTAL	930·54	894·77	38·0	919·08	883·75	37·6	882·28	848·36	36·1	919·08	883·75	37·3

2,000 per cent. of average male earnings (£4,894·00 a week in 1988-89)

	Single			Married no children			Married both working			Married 2 Children		
	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income	£ per week	£ per week 1987-88 prices	Per cent. of gross income
1978-79												
Income tax	1,388·41	2,790·32	74·8	1,379·63	2,772·67	74·3	1,236·34	2,484·70	66·6	1,376·44	2,766·26	74·0
NIC	7·80	15·68	0·4	7·80	15·68	0·4	15·60	31·35	0·8	7·80	15·68	0·4
Total	1,396·21	2,805·99	75·2	1,387·43	2,788·35	74·8	1,251·94	2,516·05	67·5	1,384·24	2,781·94	74·4
1987-88												
Income tax	2,569·20	2,569·20	55·9	2,553·39	2,553·39	55·6	2,380·79	2,380·79	51·8	2,553·39	2,533·39	55·4
NIC	26·55	26·55	0·6	26·55	26·55	0·6	53·10	53·10	1·2	26·55	26·55	0·6
Total	2,595·75	2,595·75	56·5	2,579·94	2,579·94	56·1	2,433·89	2,433·89	53·0	2,579·94	2,579·94	56·0
1988-89												
Income tax	1,881·89	1,809·54	38·5	1,870·43	1,798·52	38·2	1,806·18	1,736·74	36·9	1,870·43	1,798·52	38·1
NIC	27·45	26·39	0·6	27·45	26·39	0·6	54·90	52·79	1·1	27·45	26·39	0·6
Total	1,909·34	1,835·94	39·0	1,897·88	1,824·92	38·8	1,861·08	1,789·53	38·0	1,897·88	1,824·92	38·7

Notes to tables:

1. Income tax payments are calculated on the assumption that the tax units have no other tax reliefs apart from the standard allowances. Earners, including working wives, are assumed to pay class 1 national insurance contributions at the contracted in rate. The figures for national insurance contributions are financial year averages.

2. Average earnings are taken to be the average gross weekly earnings of all full-time males on adult rates with pay unaffected by absence. The levels of average earnings in each year are as follows: 1978-79, £92·80 per week; 1987-88, £229·80 per week (assuming growth of 7¼ per cent. on 1986-87); 1988-89, £244·70 per week

(assuming growth of 6¼ per cent. on 1987-88.

3. The two-earner married couple are assumed to have joint earnings of the various multiples of average earnings. In calculating disposable income it is assumed that the joint earnings are split between husband and wife in the ratio 60:40.

4. For the married couple with two children, the percentage column expresses taxes, and so on, as percentages of gross earnings plus child benefit. For this purpose financial year averages are used for child benefit.

5. The estimates of indirect taxes are derived from the 1985 family expenditure survey and are based on the illustrative assumption that 10 per cent. of disposable income is saved. Estimates cannot reliably be made outside the income range for which figures are shown. There are also quite wide variations in spending patterns between households with similar incomes and compositions and, because of sampling variation, there can be substantial differences between the estimates obtained from different family expenditure surveys.

Mr. Gordon Brown: To ask the Chancellor of the Exchequer (1) if, with reference to tables 1 and 2 of the Budget press release on independent taxation of husband and wife, he will give the basis on which tax liability under current arrangements has been allocated to a wife's income for the purposes of determining the reduction on the new arrangements;

(2) how family unearned income is allocated between husband and wife for the purposes of computing wife's income in table 1 of the Budget press release on independent taxation of husband and wife.

Mr. Norman Lamont *[holding answer 9 May 1988]:* Estimates of individuals with reduced income tax liability and their average reductions following the introduction of independent taxation used data from the survey of personal incomes for 1985-86 which was projected to 1990-91 in line with Treasury economic forecasts. The survey collects data from tax offices for husbands and wives separately and for each source of income. The tax liability on the wife's income under the current arrangements was calculated as the difference between the tax liability on the couple's total income and the liability on the husband's income only. It was assumed that all reliefs claimed were used against the husband's income.

Capital Gains Tax

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will give the capital gains tax paid by tax units on marginal rates of income tax of (a) 60 per cent., (b) 55 per cent., (c) 50 per cent. and (d) 45 per cent. in 1987-88 and the projected capital gains tax receipts for each of these categories in 1988-89 together with the amount forgone as a result of the 1988-89 budget changes.

Mr. Norman Lamont *[holding answer 18 April 1988]:* The latest information available relates to capital gains realised by individuals and trusts in 1985-86 and is not sufficient to permit analyses at the levels of detail requested. Based on preliminary (and still provisional) analyses of that information the capital gains tax payable by individuals with an income tax marginal rate of 40 per cent. or more in 1985-86 on capital gains realised by them in 1985-86 is estimated to be about £650 million. Under the 1988 Budget proposals, it is projected that the capital gains tax payable on gains realised in 1988-89 by individuals with a marginal income tax rate in 1988-89 of 40 per cent. will be about £800 million. The amount of capital gains tax on such gains forgone from these individuals as a result of the changes proposed in the 1988 Budget is estimated to be about £50 million. The figures for 1988-89 take into account tax on gains which may have been realised in 1987-88 following Budget day but which would otherwise have been realised in 1988-89.

Taxation Statistics

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will give for the bottom *(a)* 60 per cent. and *(b)* 50 per cent. of taxpayers (i) the total amount of income before tax and (ii) the total amount of income after tax for each of the years 1978-79 to 1987-88.

Mr. Norman Lamont *[holding answer 21 April 1988]:* Estimates are given in the table for 1978-79 and 1983-84 to 1987-88. Information for other years could only be provided at disproportionate cost. All estimates are based on information reported to tax offices and collected through the annual surveys of personal incomes. For years before 1985-86, estimates exclude employees' contributions to occupational pension schemes and some investment income on which tax is deducted at source.

Shares of income tax payers' total income before and after tax

Financial Year	*Total income before tax*				*Total income after tax*			
	Bottom 50 per cent.		*Bottom 60 per cent.*		*Bottom 50 per cent.*		*Bottom 60 per cent.*	
	Amount £ billion	*Share per cent.*	*Amount £ billion*	*Share per cent*	*Amount £ billion*	*Share per cent.*	*Amount £ billion*	*Share per cent.*
1978-79	30·4	29	40·0	39	26·5	32	34·4	42
1983-84	48·6	27	64·1	35	42·6	29	55·4	38
1984-85	53·0	27	69·6	35	46·8	29	60·7	37
1985-86[1]	59·0	26	77·5	35	52·2	29	67·8	37
1986-87[1][2]	62·5	26	82·4	34	55·4	28	72·2	37
1987-88[1][2]	67·0	26	88·5	34	59·7	28	78·0	36

[1] Provisional: includes estimates of occupational pension contributions and investment income not reported to tax offices.

Mr. Gordon Brown: To ask the Chancellor of the Exchequer what proportion of income will be paid in tax by the top 1 per cent., 5 per cent., 10 per cent., and the bottom 50 per cent. of tax payers in 1988-89.

Mr. Norman Lamont *[holding answer 25 April 1988]:* Estimates are as follows:

Percentile of taxpayers[1]	*Percentage of income paid in tax*
Top 1 per cent.	31·5
Top 5 per cent.	25·9
Top 10 per cent.	23·1
Bottom 50 per cent.	10·1

[1] Single people and married couples.

Tax Units

Mr. Gordon Brown: To ask the Chancellor of the Exchequer how many tax units in 1988-89 will be on 10 times average earnings or more.

Mr. Norman Lamont *[holding answer 25 April 1988]:* In 1988-89 it is estimated that 120,000 tax units will have total income of more than five times average earnings—£63,600 per year. It is assumed that average earnings are those for men in all occupations who work a full week and whose pay is unaffected by absence (estimated at £244·70 per week in 1988-89). I regret that a reliable estimate of the number of tax units with total income of more than 10 times average earnings is not available as estimates are based on a projection of the 1985-86 survey of personal incomes.

Capital Gains

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will give the accumulated value of unrealised gains between 1965 and 1982 which will now not be liable to taxation as a result of the Budget change.

Mr. Norman Lamont *[holding answer 29 April 1988]:* I regret that this information is not available.

Tax Liability

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will update the answer to the hon. Member for Holborn and St. Pancras (Mr. Dobson) of 18 December 1987, *Official Report*, columns *871-72*, to give figures for the year 1988-89 on tax liability.

Mr. Norman Lamont *[holding answer 29 April 1988]:* Estimates are given in the table for the upper 50 per cent. and lower 50 per cent. of taxpaying single people and married couples analysed by total income liable to tax. The table shows the reduction in income tax liabilities, in a full year at 1988-89 income levels, under the 1988-89 income tax regime compared with the 1978-79 regime indexed to 1988-89 levels by reference to the statutory formula.

Reductions in income tax liabilities in 1988-89 compared with the indexed 1978-79 tax regime

Source of income tax reduction(+)/ increase(−)	*Upper 50 per cent.*[1]		*Lower 50 per cent.*[1]	
	Amount £ million	*Average per tax unit*[2] *£ per year*	*Amount £ million*	*Average per tax unit*[2] *£ per year*
Increase in personal allowances	3,270	310	1,930	180
Abolition of reduced rate band	−1,760	−170	−1,190	−110
Decrease in basic rate	9,190	880	2,630	250
Increase in higher rate threshold	400	40	—	—
Abolition of higher rates above 40 per cent.	4,410	420	—	—
Abolition of Investment Income Surcharge	1,120	110	20	2
Total	16,610	1,590	3,380	320

In the table, the effect of each change has been calculated on the assumption that each of the previous changes has already been made.

[1] Based on 20·9 million single people and married couples expected to pay tax in 1988-89 and excluding a further 1,100,000 who would pay tax under the revalorised 1978-79 regime. All information is in terms of tax units i.e. married couples are counted as one and their incomes combined.

[2] By reference to the numbers paying tax in 1988-89.

Maintenance Payments

Mr. Gordon Brown: To ask the Chancellor of the Exchequer (1) if he will give the number of divorced and separated parents where the partner in receipt of maintenance payments has an income, including maintenance payments, that currently falls below the tax threshold where the partner making the payment pays tax at *(a)* the basic rate and *(b)* higher rates than the basic rate;

(2) if he will give the total amount of tax relief at present granted on the maintenance payments made by separated or divorced partners at *(a)* basic rates and *(b)* higher rates of tax to partners who at present have incomes including maintenance payments that fall below the tax threshold.

Mr. Norman Lamont *[holding answers, 29 April 1988]:* I regret that information is not available in the form requested. Once a husband and wife are separated or divorced, they are regarded as separate tax units. Tax relief for maintenance payments is claimed by over 500,000 people of whom about four fifths are divorced or separated. About 100,000 are higher rate tax payers.

The total cost of tax relief in respect of maintenance payments in 1987-88 is estimated at £175 million. Of this, £35 million is at rates in excess of the basic rate.

Income and Corporation Taxes Act

Mr. Tim Smith: To ask the Chancellor of the Exchequer what would be the cost to the Exchequer in 1988-89 of substituting in section 257(5) of the Income and Corporation Taxes Act 1988 one half for two thirds.

Mr. Norman Lamont *[holding answer 4 May 1988]:* The full year cost at 1988-89 income levels of substituting one half for two thirds in section 257(5) of the Income and Corporation Taxes Act 1988 would be around £4 million. The number of single people and married couples in the band of income where age allowance is withdrawn would increase from 130,000 to 160,000.

Pensioners' Allowance

Mr. Jack: To ask the Chancellor of the Exchequer (1) what would be the cost of raising the married man's personal allowance to £10,000 for pensioners;

(2) what would be the cost of raising the personal allowance to £7,300 for all single pensioners.

Mr. Norman Lamont *[holding answers 4 May 1988]:* The full year cost, at 1988-89 levels of income, of raising the age allowances to £7,300 for single people and to £10,000 for married couples would be about £580 million and £620 million respectively. The estimates are based on a projection of the 1985-86 survey of personal incomes and are therefore provisional.

Car Benefit Tax

Mrs. Margaret Ewing: To ask the Chancellor of the Exchequer what would be the equivalent in real terms of the salary at which car benefit tax becomes payable if the salary level of £8,500 in 1976 terms were translated to 1988 terms.

Mr. Norman Lamont *[holding answer 5 May 1988]:* The earnings threshold at which the benefit of a company car provided for private use becomes taxable was £5,000 in 1976-77. If this threshold had been indexed in line with inflation according to the statutory formula for increasing personal allowances and thresholds, the threshold in 1988-89 would be £13,960. A salary level of £8,500 in 1976-77 would, if indexed in the same manner, be increased to £23,720 in 1988-89.

Mrs. Margaret Ewing: To ask the Chancellor of the Exchequer what was the total amount accruable to the Exchequer as a result of car benefit tax in each of the past five years.

Mr. Norman Lamont *[holding answer 5 May 1988]:* The income tax liability in each of the years 1984-85 to 1988-89 arising from the scale changes for the private use of company cars is shown in the table.

	£ million
1984-85	180
1985-86	210
1986-87	[1]260
1987-88	[1]310
1988-89	[1]540

[1] Provisional

Mrs. Margaret Ewing: To ask the Chancellor of the Exchequer what representations he has received seeking legislation to raise the tax threshold at which car benefit tax becomes payable; what response he has made; and if he will make a statement.

Mr. Norman Lamont *[holding answer 6 May 1988]:* My right hon. Friend the Chancellor of the Exchequer has received a number of representations suggesting an increase in the earnings threshold at which the company car scale charges and the charges on other benefits-in-kind are payable. The Government's view, which has been reflected in response to such representations, is that since in principle remuneration in kind should be treated in exactly the same way as cash remuneration irrespective of the level of the employee's earnings an increase in the threshold would not be justified.

Finance (No. 2) Bill (Notes on Clauses)

Mr. Arbuthnot: To ask the Chancellor of the Exchequer if he will take steps, when any notes on clauses on the Finance (No. 2) Bill 1988 are published, to make them available to interested members of the public.

Mr. Major *[holding answer 6 May 1988]:* No. These notes are designed for Members examining the Finance Bill in Committee. They serve a transitory purpose only and are not intended as a permanent record. The general public is already well served by press releases issued on Budget day and on publication of the Finance Bill. The Treasury's clause-by-clause summary of the Bill was reprinted in the *Financial Times* on 15 April.

Child Care

Ms. Richardson: To ask the Chancellor of the Exchequer what is the total revenue received each year from tax levied on employer subsidised child care; and from parents in how many workplace nurseries the Inland Revenue collects the tax.

Mr. Norman Lamont *[holding answer 9 May 1988]:* Firm estimates are not available, but it is thought that there are about 50 employer-subsidised nurseries providing around 2,000 places and that the tax charged on this benefit might be of the order of £1 million per year.

HOUSE OF COMMONS

Cleaners

Ms. Walley: To ask the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, how many vacant cleaning posts there were on 13 May as a result of illness and people leaving voluntarily in the Palace of Westminster; what is the establishment for such posts; how many posts are actually filled; and if he will make a statement.

Mr. Beith: On 13 May the complement of posts for cleaning staff employed by the House of Commons Commission was 88. On that day there were 74 staff in post of whom none was sick. The difference represents the number of unfilled vacancies due to the steady turnover of staff and is in part compensated for by paid overtime.

Telephones (Cleaning)

Ms. Walley: To ask the Lord President of the Council what provision is made for regularly cleaning telephones in the Palace of Westminster.

Mr. Wakeham: Telephones in public areas of the Palace of Westminster are cleaned once every month under arrangements made by the communications manager. Cleaning of telephones of Members, their staff and of staff of the House is a personal responsibility and cleaning sachets are available for this purpose.

Vending Machine (Upper Waiting Hall)

Ms. Walley: To ask the Lord President of the Council why the vending machine in the Upper Waiting Hall is closed during recesses; and when was the last occasion on which the machine was rigorously cleaned.

Mr. Wakeham: The vending machine in the Upper Waiting Hall is provided for the use of Members and

others attending Committees meeting on days when the House is sitting; as such it is not considered necessary for it to operate during recesses. The machine's supply mechanism is automatically cleansed with boiling water twice a day. If the hon. Lady has a particular complaint in mind, may I suggest that, in the first instance, she contacts the general manager of the Refreshment Department, who has direct responsibility for this machine.

EMPLOYMENT

Restart

Ms. Short: To ask the Secretary of State for Employment (1) if he will provide details for each for the 11 offices where the new restart questionnaire is being tested of how many of those referred to adjudication officers have been suspended from benefit; how long each had been claiming benefit; and how many of those suspended from claiming benefit were referred by means other than a restart interview;

(2) if he will provide details for each of the 11 offices testing the new restart questionnaire of the number of people referred to adjudication officers in March because of doubts about their availability for work; and if he will provide the fullest possible breakdown of those so referred by age and sex of those so referred with details of how long the individuals concerned had been claiming benefit.

Mr. Lee: No one is referred, as the result of a restart interview, directly to an adjudication officer.

When a question arises at a restart interview about a person's availability for work, the case is referred to the unemployment benefit office. This is then examined by officials and, where appropriate, referred to the adjudication officer for a decision on entitlement.

These referrals are not recorded separately from other availability referrals to adjudication officers. The detailed information requested could be obtained only at a disproportionate cost.

A change in procedures announced by the Government in January has meant that claimants with current benefit claims, as in the case of restart clients, will continue to receive benefits while their availability for work is being considered. New regulations, to take effect from 2 May, will extend the same concession to people receiving unemployment benefit.

Information on the number of people referred in the month of March from the 11 restart launch offices to an unemployment benefit office because of a question about their availability for work is shown in the table.

Numbers referred to unemployment benefit offices because of doubts over availability

Office	*March 1988*
Billingham	21
Dundee	30
Ealing	65
Huddersfield	24
Leicester	201
Plymouth	68
Port Talbot	45
Preston	58
Stoke	98
Watford	22
Wimbledon	140

Ms. Short: To ask the Secretary of State for Employment if he will publish up-to-date figures for both the Birmingham and Solihull and Coventry and Warwickshire areas showing how many unemployed people have, since the introduction of the restart initiative *(a)* been called for a restart interview, *(b)* attended a restart interview, *(c)* had their benefit disallowed for failing to attend a restart interview, *(d)* been referred to a claimant adviser as a result of a restart interview and *(e)* been referred to a disablement resettlement officer as a result of a restart interview, together with a breakdown of these figures to show outcomes for each three-month or similar time period.

Mr. Lee: The figures requested in *(a)* to *(e)* are given in the table. We do not know how many of those interviewed ultimately end up in a job or other menu opportunity as a result of the interview.

Restart Interviews

	1 July 1986 to 25 March 1988
Birmingham and Solihull	
a. Called for Restart interview	161,426
b. Attended a Restart interview	125,267
c. Had their Benefit disallowed for failing to attend interview	598
d. Referred to Claimant Adviser	5,566
e. Referred to DRO	3,352
Coventry and Warwickshire	
a. Called for Restart interview	73,455
b. Attended a Restart interview	54,970
c. Had their Benefit disallowed for failing to attend interview	174
d. Referred to Claimant Adviser	2,131
e. Referred to DRO	1,133

Ms. Short: To ask the Secretary of State for Employment if he will publish up-to-date figures for both the Birmingham and Solihull and Coventry and Warwickshire areas, showing the outcome of interviews conducted under the restart scheme, covering the period from the introduction of the scheme, in the same format used in the reply given on 6 November 1986, *Official Report*, columns *523-24*, together with a breakdown of these figures to show outcomes for each three-month or similar time period.

Mr. Lee: The number of people interviewed under the restart programme and the numbers referred to the various menu items between 1 July 1986 and 25 March 1988 are shown in the table. We do not know how many of those interviewed ultimately end up in a job or other opportunity as a result of the restart interview.

Restart counselling

	1 July 1986 to 25 March 1988
Birmingham and Solihull	
Counselled	125,267
Submitted to Jobs	9,420
Submitted to Community Programme	9,488
Submitted to Jobclubs	8,024
Referred to EAS	4,549
Allocated to Restart Course	9,090
Referred to Training (including NJTS)	23,761
Submitted to VPP or Voluntary Work	2,653
Referred to ERC	294

	1 July 1986 to 25 March 1988
Coventry and Warwickshire	
Counselled	54,970
Submitted to Jobs	3,649
Submitted to Community Programme	5,613
Submitted to Jobclubs	3,706
Referred to EAS	1,894
Allocated to Restart Course	4,195
Referred to Training (including NJTS)	9,363
Submitted to VPP or Voluntary Work	1,157
Referred to ERC	214

Ms. Short: To ask the Secretary of State for Employment if he will publish up-to-date figures for both the Birmingham and Solihull and Coventry and Warwickshire areas, showing the outcome of interviews conducted under the restart scheme, in the same format used in table 3 of annex 1 of the MSC directors report presented to the Manpower Services Commission at its meeting in October 1987, MSC/87/24, together with a breakdown of these figures to show outcomes for each three-month or similar time period.

Mr. Lee: The number of people interviewed under the restart programme and the numbers referred to the various menu items are shown in the table.

We do not know how many of those ultimately end up in a job or training programme.

Restart counselling

	1 July 1986 to 25 March 1988	
	Number	*per cent.*
Birmingham and Solihull		
Jobseekers contacted	161,426	
and interviewed	125,267	
Received an offer	111,738	89
Agreed to follow up offer	87,582	70
Referred to a job	9,420	8
Referred to Community Programme	9,488	8
Allocated to Restart Courses	9,090	7
Referred to New Job Training Scheme	7,209	6
Referred to other training	16,552	13
Referred to Jobclubs	8,024	6
Agreed to follow up other options (CA, Specialist services and EAS, etc.)	43,091	34
Coventry and Warwickshire		
Jobseekers contacted	73,455	
and interviewed	54,970	
Received an offer	49,703	90
Agreed to follow up offer	39,596	72
Referred to a job	3,649	7
Referred to Community Programme	5,613	10
Allocated to Restart Courses	4,195	8
Referred to New Job Training Scheme	3,539	6
Referred to other training	5,824	11
Referred to Jobclubs	3,706	7
Agreed to follow up other options (CA, Specialist services and EAS, etc.)	15,569	32

Employment Training Programme

Mr. Malcolm Bruce: To ask the Secretary of State for Employment whether fees paid to assessing agents on the employment training programme will take account of any extra cost of assessing people with special or complex needs.

Mr. Nicholls: Where either specialised or further assessment is required, this will be made available through the employment rehabilitation service (ERC) or, where appropriate, through a specialist training manager who can offer this facility. The funding that ERCs or training managers receive will take account of any additional assessment provision they mount. It should also be noted that special help is available to assist training agents to accommodate people with special or complex needs, in the form of a communicator service for the deaf (CSD) and personal reader service for the blind (PRSB).

Training for Employment

Mr. Ashley: To ask the Secretary of State for Employment what plans he is making to ensure disabled people will get full benefit from the new training for employment scheme.

Mr. Nicholls: Features of employment training designed particularly to help people with disabilities include exemption from the normal eligibility condition of six months duration of unemployment; access to specialised assessment, where appropriate, through the employment rehabilitation service; extended introduction for those who need a gradual introduction to full-time training; additional payments to meet the costs of special training needs when the provision is necessarily more expensive; access to special aids, and communication services for the sensorily handicapped; and residential training where needs can best be met in this way.

Mr. Ashley: To ask the Secretary of State for Employment what provisions he has made for the part-time employment of disabled persons in the new training for employment scheme; and if he will make a statement.

Mr. Nicholls: Participants on employment training will be trainees, not employees. A period of extended introduction will be available for people, including some people with disabilities, who need a period of preparation before they are able to take advantage of full-time training. Extended introduction will be for up to 10 weeks and individuals will be able to attend part-time initially.

Further consideration is being given to the issue of part-time participation in the mainstream of employment training.

Mr. Ashley: To ask the Secretary of State for Employment what steps he will take to ensure that voluntary organisations that provide services to disabled people under the community programme will be able to maintain those programmes following the introduction of the training for employment scheme; and if he will make a statement.

Mr. Nicholls: At least 170,000 of the 300,000 places on employment training will offer practical training on projects. Employment training will build on the strengths of the existing programmes, including projects providing services for disabled people. Local staff of the Manpower Services Commission will be doing all they can in coming months to help community programme providers and others to develop their activities so that they can meet the training requirements of the new programme.

Disabled People

Mr. McLeish: To ask the Secretary of State for Employment how many *(a)* registered disabled persons

and *(b)* disabled persons were seeking employment at jobcentres for each of the standard regions in 1985, 1986 and 1987.

Mr. Lee: I regret that this information is not available in the form requested but the numbers of people with disabilities registered for work at jobcentres on 8 March 1985, 4 April 1986 and 3 April 1987 were as follows:

Region	8 March 1985		4 April 1986		3 April 1987	
	(a)[1]	*(b)*[2]	*(a)*[1]	*(b)*[2]	*(a)*[1]	*(b)*[2]
Northern	—[3]	—[3]	2,643	6,804	2,806	7,184
North East	2,492	6,411	—[3]	—[3]	—[3]	—[3]
Yorkshire and Humberside	2,591	6,543	1,975	4,954	2,123	5,126
East Midlands	1,639	3,631	2,650	5,587	1,330	3,021
South East	—[3]	—[3]	4,397	9,454	3,650	8,293
Southern	3,677	7,725	—[3]	—[3]	—[3]	—[3]
Eastern	3,269	6,763	—[3]	—[3]	—[3]	—[3]
London	—[3]	—[3]	1,711	3,842	1,533	3,381
London North	1,399	3,340	—[3]	—[3]	—[3]	—[3]
London South and West	924	2,412	—[3]	—[3]	—[3]	—[3]
South West	2,116	4,908	1,806	4,338	1,652	4,391
Wales	2,864	7,284	2,371	6,192	2,431	6,830
West Midlands	2,646	5,991	2,220	5,086	2,112	4,703
North West	6,228	15,973	6,647	13,066	5,697	11,349
Scotland	3,705	9,640	3,177	8,360	3,029	8,537

[1] People with disabilities who were registered at jobcentres as seeking work and who were registered as disabled under the Disabled Persons (Employment) Act, 1944.
[2] People with disabilities who were registered at jobcentres as seeking work (including those in column (a).
[3] Regional boundary changes.

Sheltered Employment

Mr. McLeish: To ask the Secretary of State for Employment if he will provide figures for 1985, 1986 and 1987 and for each standard region of the number of sheltered placement scheme places *(a)* approved and *(b)* occupied.

Mr. Lee: Information is not available in the form requested. Information on numbers of places occupied in each employment service region against the number each region had authority to fill in the 1986-87 and 1987-88 financial years is as set out. Occupancy figures as at the end of the financial year 1985-86 are also given. Regions were not given a specified number of places to fill until 1986-87.

Employment service region	Financial year 1985-86	Financial year 1986-87		Financial year 1987-88	
	Places occupied at 31 March 1986	Approved ceiling at 31 March 1987	Places occupied at 31 March 1987	Approved ceiling at 31 March 1988	Places occupied at 31 March 1988
South East	448	491	476	669	650
London	124	226	168	319	259
South West	311	422	376	490	472
West Midlands	[1]306	338	328	491	450
East Midlands and Eastern		363	359	522	479
Yorkshire and Humberside	134	227	209	322	306
North West	219	344	300	423	376
Northern	58	93	72	120	99
Wales	88	178	149	239	240
Scotland	146	281	247	379	389

[1] The figure of 306 occupied places relates to the whole of the former midlands region.

Job Training Scheme

Mr. Nigel Griffiths: To ask the Secretary of State for Employment if he will estimate the number of people who have left the job training scheme with a vocational qualification and express this also as a percentage of all people leaving the scheme.

Mr. Nicholls: The information is not available. The Manpower Services Commission has commissioned a follow-up survey which will give information on qualifications. The results will be available shortly.

Hantergantick Quarry

Mr. Cryer: To ask the Secretary of State for Employment whether prosecutions are to be undertaken against the owners at Hantergantick quarry, St. Bernard under the Health and Safety at Work etc. Act 1974, arising from an accident occurring on 25 August 1987; and if he will make a statement.

Mr. Nicholls: The Health and Safety Executive is considering whether to prosecute.

NORTHERN IRELAND

Playgroup Staff

Mr. McGrady: To ask the Secretary of State for Northern Ireland (1) what training and education is provided to playgroup staff in each of the education and library board areas in Northern Ireland by the Department of Education;

(2) what training and education is provided to playgroup staff in each of the health and social services board areas in Northern Ireland by the Department of Health and Social Services.

Mr. Needham: The Department does not provide training and education to playgroup staff. It does, however, grant aid the Northern Ireland Pre-School Playgroups Association (NIPPA), whose functions include the provision of advice, training and support for these staff. In conjunction with NIPPA, local colleges of further education run courses for playgroup staff, parents and volunteers. Since 1985, NIPPA has also been running tutor training programmes for experienced leaders of playgroups and mother and toddler groups. In addition, the staff of health and social services boards' playgroups can attend courses offered by the boards as part of their in-service training programmes.

Pre-school Playgroups

Mr. McGrady: To ask the Secretary of State for Northern Ireland what financial or other assistance is given to pre-school playgroups by *(a)* each area health and social services board in Northern Ireland and *(b)* each education and library board in Northern Ireland.

Mr. Needham: I refer the hon. Gentleman to the reply given to a question by the hon. Member for Foyle (Mr. Hume) on 25 February 1988, at column *329*.

Mother and Toddler Groups

Mr. McGrady: To ask the Secretary of State for Northern Ireland how many mother and toddler groups operate in Northern Ireland; and what financial assistance is offered to them and by whom.

Mr. Needham: I refer the hon. Gentleman to the reply given to the hon. Member for Foyle (Mr. Hume) on 25 February 1988, at columns *328-29*.

Under-fives Initiative

Mr. McGrady: To ask the Secretary of State for Northern Ireland if he has any plans to introduce an under-fives initiative in Northern Ireland; and if he will make a statement.

Mr. Needham: Social services for the under-fives form an integral part of the Government's overall preventive strategy in child care, the development of which is identified as a specific objective in the "Regional Strategy for 1987-1992", published by the Department of Health and Social Services in August last year.

Progress toward this objective is being achieved through the detailed operational plans drawn up annually by the health and social services boards in the light of local needs, priorities and available resources. Although I have no plans to introduce a specific under-fives initiative in Northern Ireland, the Department of Health and Social Services has this year made £6,500 available for a scheme offering small, non-recurrent grants to local voluntary groups who provide services for the under-fives. This is slightly more, in per capita terms, than the corresponding small grants scheme in England and Wales.

AIDS

Mr. Butler: To ask the Secretary of State for Northern Ireland if, in the light of the recent survey of the level of awareness of the risks of acquiring AIDS among students in Northern Ireland, he will reassess his health education policy in the Province.

Mr. Needham: AIDS public education policy in the Province is subject to continuous review in the light of the findings of attitude and awareness surveys which are carried out from time to time. In line with this approach the results of the study referred to by my hon. Friend are being taken into account by the Department of Health and Social Services and health and social services boards in planning future health education measures required both locally and for the Province as a whole.

Tourism

Rev. Ian Paisley: To ask the Secretary of State for Northern Ireland how much money has been provided for the promotion and development of tourism in Northern Ireland from European Economic Community funds in each year since 1973; and to what extent such funds have been additional to Her Majesty's Government's expenditure.

Mr. Stanley *[holding answer 3 May 1988]:* The following amounts have been received from the European Community for the promotion and development of tourism in Northern Ireland.

Financial year	*Total £ million*
1973-74	—
1974-75	—
1975-76	—
1976-77	0·506
1977-78	0·175
1978-79	0·087
1979-80	—
1980-81	0·021
1981-82	0·156
1982-83	0·262
1983-84	0·274
1984-85	1·166
1985-86	2·758
1986-87	4·561
1987-88	[1]0·739
TOTAL	[2]10·705

[1] Provisional.
[2] The total includes £3·46 million receipts under the special programme for the border areas during the period 1983-88.

The overall level of EC receipts is taken into account in the Government's decisions on public expenditure allocations, and their availability enables public expenditure to be maintained at a higher level than would otherwise be feasible.

European Community Payments

Rev. Ian Paisley: To ask the Secretary of State for Northern Ireland how much money Northern Ireland has received from the European regional development fund in each financial year from 1 January 1973; how much of these receipts each year represented a cash addition to the Northern Ireland economy; and how much was used to offset Government expenditure on Northern Ireland.

Mr. Stanley *[holding answer 3 May 1988]:* The following amounts were received from the European regional development fund:

Financial year	*Total £ million*
1973-74	—
1974-75	—
1975-76	2·9
1976-77	7·2
1977-78	6·4
1978-79	4·0
1979-80	16·0
1980-81	21·0
1981-82	16·4
1982-83	18·0
1983-84	13·5
1984-85	16·9
1985-86	18·4
1986-87	23·2
1987-88	[1]45·9
TOTAL	[2]209·8

[1] Provisional outturn.

[2] The figures show total European regional development fund receipts brought to account in Northern Ireland. It should be noted that awards totalling £10·5 million were decommitted by the European Commission on failed industrial projects.

European regional development fund assistance is earned by industrial and infrastructure projects, and by programmes combining elements of both. Receipts for infrastructure projects undertaken by non-central Government bodies are passed on to them and represent a direct benefit to those bodies by enabling them to reduce their capital indebtedness.

Receipts for infrastructure projects undertaken by central Government and for industrial projects are paid into the Northern Ireland Consolidated Fund. All the receipts are subject to normal European Commission audit arrangments.

The overall level of receipts is taken into account in the Government's decisions on public expenditure allocations, and their availability enables public expenditure to be maintained at a higher level than would otherwise be feasible.

Rev. Ian Paisley: To ask the Secretary of State for Northern Ireland how much money in Northern Ireland has been allocated from the European social fund in each financial year since 1 January 1973; how much of these receipts were paid to the private sector and how much to the public sector; how much each year represented a cash addition to the Northern Ireland economy; and how much was used to offset Government expenditure on Northern Ireland.

Mr. Stanley *[holding answer 3 May 1988]:* The following amounts were received from the European social fund:

Financial year	*Private sector £ million*	*Public sector £ million*	*Total £ million*
1973-74	—	—	—
1974-75	—	3·36	3·36
1975-76	0·01	—	0·01
1976-77	0·12	6·31	6·43
1977-78	0·35	7·17	7·52
1978-79	0·42	14·53	14·95
1979-80	0·57	14·39	14·96
1980-81	2·00	21·01	23·01
1981-82	2·62	22·36	24·98
1982-83	5·52	29·72	35·24
1983-84	7·38	30·62	38·00
1984-85	9·70	28·26	37·96
1985-86	1·81	23·15	24·96
1986-87	8·66	44·65	53·31
1987-88	[1]7·31	[1]50·58	[1]57·89
Totals	46·47	296·11	342·58

[1] Provisional outturn.

Receipts earned by the private sector and by non-central Government public sector bodies are paid to the claimant. The receipts represent cash additions to the recipients. Receipts earned by central Government are paid into the Northern Ireland Consolidated Fund. All ESF receipts are subject to EC audit arrangements.

The overall level of receipts is taken into account in the Government decisions on public expenditure allocations, and their availability enables public expenditure to be maintained at a higher level than would otherwise be feasible.

Rev. Ian Paisley: To ask the Secretary of State for Northern Ireland how much money Northern Ireland has received in each financial year from 1 January 1973, from the European Economic Community apart from payments under the European regional development fund, the European social fund and the European agricultural guidance and guarantee fund guidance section.

Mr. Stanley *[holding answer 3 May 1988]:* The following amounts have been identified as being received in Northern Ireland from EC sources other than three structural funds:

Financial year	*Total £ million*
1973-74	—
1974-75	—
1975-76	—
1976-77	—
1977-78	—
1978-79	0·6
1979-80	0·8
1980-81	0·7
1981-82	0·2
1982-83	1·4
1983-84	24·3
1984-85	23·7
1985-86	27·1
1986-87	2·7
1987-88	[1]27·5
Total	109·0

[1] Provisional outturn.

These figures contain two main elements. First, some £57·9 million of receipts received under the special urban renewal regulation, which provided assistance for infrastructure projects in the Belfast area. Second, certain receipts, totalling some £47·9 million, from the guarantee section of the European agricultural guidance and guarantee fund. While the bulk of guarantee section receipts are disbursed centrally by the Intervention Board for Agricultural Produce and details of payments are not generally maintained at regional level, accounting responsibility for certain of the schemes was transferred to the Department of Agriculture for Northern Ireland in

1987-88. Accordingly, the table includes these amounts as well as payments under the calf premium scheme which, being unique to Northern Ireland, is also accounted for by the Department and which appeared in 1982-83.

Rev. Ian Paisley: To ask the Secretary of State for Northern Ireland how much money Northern Ireland has received in each financial year up to 31 December 1987 from the European agricultural guidance and guarantee fund guidance section; how much of these receipts were paid to the private sector and how much to the public sector; how much of these receipts represented a cash addition to the Northern Ireland economy; and how much each year was used to offset Government expenditure on Northern Ireland.

Mr. Stanley *[holding answer 3 May 1988]:* The following amounts were received from the European agricultural guidance and guarantee fund guidance section:

Financial year	*Individual capital projects*		*Other guidance schemes private sector*[2]	*£ million total*
	Private sector	*Public sector*[1]		
1974-75	—	—	0·25	0·25
1975-76	0·45	—	0·21	0·66
1976-77	1·87	0·31	0·27	2·45
1977-78	1·28	0·31	1·28	2·87
1978-79	0·70	0·24	2·46	3·40
1979-80	1·27	0·20	3·21	4·68
1980-81	1·91	1·05	3·35	6·31
1981-82	1·43	0·13	4·69	6·25
1982-83	2·47	0·99	3·30	6·76
1983-84	1·59	0·38	14·65	16·62
1984-85	0·95	0·28	13·29	14·52
1985-86	3·56	0·03	11·83	15·42
1986-87	2·58	0·11	5·96	8·65
1987-88	[3]3·29	[3]—	[3]6·44	9·73
Totals	23·35	4·03	71·19	98·57

[1] Includes the Milk Marketing Board, which is not financed from public funds although it is a statutory body.
[2] Includes reference to the approximate share of total expenditure in Northern Ireland on various structural schemes which were applied throughout the United Kingdom.
[3] Provisional outturn.

In addition, £443,000 has been received by the public sector for socio-economic training.

All these receipts represent cash additions to the recipients and are subject to normal European Community audit arrangements.

The overall level of receipts is taken into account in the Government's decisions on public expenditure allocations and their availability enables public expenditure to be maintained at a higher level than would otherwise be feasible.

European Community

Rev. Ian Paisley: To ask the Secretary of State for Northern Ireland how much Northern Ireland's share of the United Kingdom's payment into the European Economic Community was from 1 January 1973 to 31 December 1987; how much Northern Ireland's share of the receipts was; how much of these receipts each year represented a cash addition to the Northern Ireland economy; and how much was used to offset Government expenditure on Northern Ireland.

Mr. Stanley *[holding answer 5 May 1988]:* It is not possible to determine Northern Ireland's actual share of the United Kingdom's contribution to the European Community because payments are made on a national and not a regional basis. Similarly it is not possible to identify the full extent of receipts from the Community. However, a Northern Ireland attributed share of the contribution to the EC does exist as an accounting mechanism necessary because of the operation of a separate Northern Ireland Consolidated Fund. The attributed share does not count as an item of expenditure within the Northern Ireland public expenditure programme and has therefore no bearing on the level of public expenditure in the Province.

Figures for the notional attribution of part of Northern Ireland's share of the United Kingdom's payments and for those areas where the receipts are identified are as follows:

Financial Year	*Attributed share (part) £ million*	*Identified receipts £ million*
1973-74	1·0	—
1974-75	5·6	3·6
1975-76	7·9	3·6
1976-77	12·7	16·0
1977-78	16·0	16·8
1978-79	23·9	23·0
1979-80	28·1	36·5
1980-81	28·2	51·0
1981-82	50·3	47·8
1982-83	65·6	61·4
1983-84	65·6	92·4
1984-85	67·9	93·1
1985-86	74·4	85·9
1986-87	[1]100·2	87·9
1987-88	[1]104·7	[2]141·0
Total	652·1	[3]760.0

[1] Attributed share figures for the last two years are provisional estimates which will be revised when final details of tax revenues are determined.
[2] Provisional outturn, which includes EAGGF guarantee section receipts for which the Department of Agriculture for Northern Ireland assumed accounting responsibility in 1987-88.
[3] This comprises total identified EC receipts in Northern Ireland, including those from outside the main EC funds.

All receipts represent cash additions to the recipients and are subject to normal European Community audit arrangements.

The overall level of receipts is taken into account in the Government's decisions on public expenditure allocations and their availability enables public expenditure to be maintained at a higher level than would otherwise be feasible.

Written Answers to Questions

Wednesday 18 May 1988

PRIME MINISTER

Fast Reactor Programme

Dr. Thomas: To ask the Prime Minister if she will make a statement on the results of the review conducted by the chief scientific adviser to the Cabinet on the future prospects for the fast reactor programme in the United Kingdom.

The Prime Minister: I have nothing to add to the reply given by my right hon. Friend the Secretary of State for Energy to the hon. Member for Ashfield (Mr. Haynes) on 9 May 1988, at columns 6-7.

Health Authorities

Mr. Alfred Morris: To ask the Prime Minister, what arrangements are made for co-ordination between the Secretary of State for Social Services and the Secretary of State for Education and Science in regard to the statutory duty imposed on health authorities by the Education Act 1981.

The Prime Minister: Co-ordination between the two Departments takes place at all levels as necessary over the operation of the Education Act 1981.

Progress on the implementation of the Act continues to be monitored by both Departments. They are at present reviewing the relevant legislation, regulations and guidance.

TRADE AND INDUSTRY

Information Technology Research (Disabled People)

Mr. Alfred Morris: To ask the Chancellor of the Duchy of Lancaster what arrangements have been made to ensure that the new national advisory body on co-ordination of publicly funded information technology research meets the needs of disabled people in this area.

Mr. Butcher: The new advisory arrangements have been established to provide co-ordinated advice to the Department and the Science and Engineering Research Council about their support for IT research. Virtually all this is now pre-competitive research into IT enabling technologies and is not concerned with specific applications. Nevertheless, this should strengthen the United Kingdom's capability in this field and, in due course, enable United Kingdom suppliers to meet better the needs of users of IT, including those with special needs such as disabled people.

Monopolies and Mergers Commission

Mr. Blair: To ask the Chancellor of the Duchy of Lancaster how many references have been made to the Monopolies and Mergers Commission in each year from 1978-79 to 1987-88; and if he will list them, giving in each case the reason stated for the reference.

Mr. Kenneth Clarke: Sixty-five mergers have been referred to the Monopolies and Mergers Commission over the period 1978-79 to 1987-88. This excludes newspaper mergers and monopoly and competitive practice references. The 65 merger references are listed in chronological order.

Press notices issued at the time of the reference give details of the reason for reference. In the majority of cases the reason for reference was competition.

1978
Lonrho/Suits/House of Fraser
Hepworth Ceramic/H & R Johnson Richards Tiles
General Electric Company/Avery's
FMC/Merck & Co. Inc./Alginate Inds. Ltd.

1980
Hiram Walker-Gooderham & Worts/Highland Distilleries Co. Ltd.
Blue Circle Inds. Ltd./Armitage Shanks Ltd.
S & W Berisford/British Sugar Corp.
Europcar/Godfrey Davis
Grand Metropolitan Hotels/Coral Leisure Group

1981
Lonrho/House of Fraser
Enserch/Davy
European Ferries/Sealink
Hover Lloyd/BR Hovercraft
Standard Chartered Bank/Royal Bank of Scotland
BTR/SERCK
Argyll Foods/Linfood Holdings

1982
Rowntree MacIntosh/Huntley and Palmer
Nabisco Brands/Huntley and Palmer
ICI/Arthur Holden
GUS/Empire Stores
Chartered Consolidated/Anderson Stratchclyde
Sunlight/Jhonson/Initial
Prosper de Mulder/Midland Cattle Products (Thomas Borthwick and Sons)
Linfood/Fitch Lovell
Abele/Illingworth Morris

1983
Redland/Ibstock Johnson
Ibstock Johnson/London Brick Co.
Knoll International/Sothebys
Taubman/Sothebys
Hepworth Ceramic/Steetley
Grand Metropolitan/Pleasurama/Trident
P and O/Trafalgar
GKN/AE

1984
Lonhro/House of Fraser
Scottish and Newcastle Breweries/Camerons
Dee/Booker McConnell
BET/Initial

1985
Imperial/Permaflex
Scottish and Newcastle/Matthew Brown
British Telecom/Mitel
McCorquodale plc/Richard Clay plc
Elders IXL/Allied Lyons
BET/SGB

1986
GEC/Plessey
Imperial/United Biscuits
Guinness/Distillers
Cope Allman/Firth Cleveland Steel Strip
McCorquodale/Norton Opax
Tate and Lyle/S and W Berisford
Hillsdown/S and W Berisford
Ferruzzi/S and W Berisford

London International/Wedgewood
P and O/European Ferries
Trusthouse Forte/assets of Hanson Trust
Strong and Fisher/Garnar Booth
Gulf Resources/IC Gas

1987
Co-op/House of Fraser Funerals
Swedish Match/assets of Allegheny International
MAI/London and Continental Advertising Holdings
BA/British Caledonian
Book Club Associates/Leisure Circle
Warner/Chappell

1988
Hanson/Armitage
Mitek Industries/Gang Nail
KIO/BP

Contested Takeover Bids

Mr. Blair: To ask the Chancellor of the Duchy of Lancaster whether his Department has any evidence as to the involvement of private investigators or security firms in contested takeover bids.

Mr. Kenneth Clarke: No.

Emray (Investigation)

Mr. Blair: To ask the Chancellor of the Duchy of Lancaster when his Department's investigation into Emray was instigated.

Mr. Kenneth Clarke: Mr. Philip Henry Bovey and Mr. Ian George Salter were appointed on 3 September 1984 under section 172 of the Companies Act 1948 (now section 442 of the Companies Act 1985) to investigate and report on the membership of Emray plc (now Equity and General plc).

Mr. Blair: To ask the Chancellor of the Duchy of Lancaster whether any legal proceedings are contemplated against those accused by his Department's report into Emray of taking part in illegal concert parties to buy shares.

Mr. Kenneth Clarke: We are still considering whether such action should be taken.

Companies Act Investigations

Mr. Blair: To ask the Chancellor of the Duchy of Lancaster how many investigations have been ordered under *(a)* section 432 and *(b)* section 447 of the Companies Act, for each of the years 1978-79 to 1987-88; and how many have been made in the present year.

Mr. Kenneth Clarke: Relevant particulars are as follows:

Year	*Companies Act 1985*	
	Investigations under section 432 (formerly section 165 Companies Act 1948)	*Enquiries under section 447 (formerly section 109 Companies Act 1967)*
1978	8	69
1979	4	74
1980	1	74
1981	2	98
1982	9	79
1983	6	103
1984	1	99
1 April to 31 March		
1984-85	1	130
1985-86	1	111
1986-87	1	130
1987-88	2	133
1988-date	0	10

Welsh Water Authority

Mr. William Powell: To ask the Chancellor of the Duchy of Lancaster when the Monopolies and Mergers Commission's report on the efficiency and costs of, and the service provided by, the Welsh water authority will be published.

Mr. Maude: The report is published today.

The commission was asked to assess the extent to which it is possible for WWA to make net cost savings by end March 1990, and indicate the scale of gross increases and reductions in spending. This is the first time the commission has been asked to suggest specific figures for savings, making this reference unique among the 28 made to date under section 11 of the Competition Act 1980.

The report explains that in addition to making its own inquiries into the efficiency of WWA's operations, the commission discussed with the WWA the latter's own efforts and plans to reduce costs. During the course of the inquiry WWA reviewed its estimates to produce new savings, to yield a net cost reduction of £2·9 million in comparison with its actual costs in 1986-87.

In noting the scope for further improvements in efficiency, the commission recognise that WWA has already taken important steps in this direction and has embarked on a number of major programmes to improve its efficiency. Since 1984, WWA has made substantial and worthwhile changes in its management structure, and measures to improve its management information systems and to improve productivity are under way. It is modifying its capital appraisal procedures and aiming to give higher priority to cost-saving investment. The commission considers that, although many initiatives might have been taken earlier, the right policies are now in place.

The commission found serious problems in the area of customer accounting and debt collection and considered that arrears of debt have risen to unacceptable levels under the existing customer billing system. While the deficiencies had been recognised previously the priority afforded to the development of a new system was not fully reflected in the support and resources given to it. Only now is a new computerised system in the final stages of development. The commission considers it essential that the new system should be in operation in time for the 1989 billing and emphasises that the authority will have to ensure that sufficient resources are available to keep inputs up to date and take prompt action to collect identified debts. The commission accepts that WWA is now giving sufficient attention to the customer accounting system and to the collection of debts and so does not find that in these or any other matters the authority is operating against the public interest.

Overall the Commission concludes that WWA should be able to achieve a new target of net savings amounting to a cost reduction of £2·9 million on 1986-87 costs and that particular areas in which savings might be made are increased manpower efficiency, closer attention to the charges made by agencies (mainly district councils) which provide sewerage services, and improved benefits from cost-saving investment.

The authority will be producing a preliminary response to the commission's findings within three to four months in the light of which my right hon. Friend the Secretary of State for Wales will make a statement.

Textile Imports

Mr. Tom Clarke: To ask the Chancellor of the Duchy of Lancaster if he will publish a table in the *Official Report* showing the value, and the percentage it constitutes by value, of textile imports into the United Kingdom for each year signatory to the multi fibre arrangement for the years 1979 to 1987.

Mr. Alan Clark *[holding answer 16 May 1988]:* The answer is as follows:

Value of textiles (Division 65) imported into United Kingdom from MFA signatories OTS basis (cif) by country of consignment[2]

Signatory to MFA	*1979 £th*	[1]*Per cent. of total*	*1980 £th*	[1]*Per cent. of total*	*1981 £th*	[1]*Per cent. of total*	*1982 £th*	[1]*Per cen. of total*	*1983 £th*	[1]*Per cent. of total*	*1984 £th*	[1]*Per cent. of total*	*1985 £th*	[1]*Per cent. of total*	*1986 £th*	[1]*Per cent. of total*
Bangladesh	5,941	0·35	5,681	0·37	4,054	0·23	7,125	0·37	9,566	0·41	16,296	0·60	12,869	0·42	9,265	0·29
Brazil	9,769	0·58	7,119	0·46	8,701	0·49	9,413	0·49	10,917	0·47	13,235	0·49	13,156	0·43	9,849	0·31
Yugoslavia	1,228	0·07	818	0·05	834	0·05	1,842	0·10	4,474	0·19	7,107	0·26	9,898	0·33	8,673	0·27
Colombia	1,907	0·11	1,472	0·10	1,026	0·06	1,460	0·08	2,365	0·10	2,429	0·09	3,450	0·11	2,922	0·09
Czechoslovakia	5,221	0·31	4,888	0·32	3,928	0·22	4,565	0·24	5,340	0·23	6,271	0·23	8,689	0·29	9,045	0·29
Guatemala	6	0·00	31	0·00	0.00	0·00	0·00	0·00	0·00	0·00	0·00	0·00	11	0·00	0·00	0·00
Haiti	222	0·01	117	0·01	127	0·01	122	0·01	58	0·00	64	0·00	28	0·00	29	0·00
Hong Kong	65,945	3·90	49,481	3·21	54,581	3·10	53,163	2·76	63,384	2·73	63,726	2·36	62,275	2·05	71,551	2·26
Hungary	4,540	0·27	3,498	0·23	2,675	0·15	2,675	0·14	3,398	0·15	3,863	0·14	4,398	0·15	3,635	0·11
India	69,250	4·09	56,933	3·69	40,490	2·30	32,590	1·69	46,687	2·01	67,523	2·50	69,877	2·30	52,727	1·67
Indonesia	916	0·05	905	0·06	513	0·03	3,612	0·19	6,404	0·28	9,973	0·37	9,338	0·31	9,665	0·31
South Korea	19,949	1·19	18,678	1·21	26,095	1·48	27,064	1·40	24,694	1·06	27,581	1·02	31,774	1·05	36,184	1·14
Macao	410	0·02	2	0·00	10	0·00	7	0·00	10	0·00	93	0·00	6	0·00	3	0·00
Pakistan	26,787	1·58	22,530	1·46	23,802	1·35	29,422	1·53	30,319	1·31	33,491	1·24	46,680	1·54	50,800	1·61
Peru	1,258	0·07	1,140	0·07	872	0·05	1,024	0·05	2,219	0·10	3,078	0·11	2,987	0·10	2,439	0·08
Philippines	334	0·02	237	0·02	399	0·02	480	0·02	382	0·02	696	0·03	752	0·02	930	0·03
Poland	4,366	0·26	4,135	0·27	2,942	0·17	2,969	0·15	3,829	0·17	3,947	0·15	5,682	0·19	5,777	0·18
Romania	2,534	0·15	1,632	0·11	1,840	0·10	735	0·04	2,148	0·09	2,564	0·09	2,421	0·09	3,068	0·10
Singapore	4,776	0·28	2,566	0·17	2,983	0·17	2,499	0·13	3,264	0·14	1,656	0·06	1,786	0·06	2,732	0·09
Sri Lanka	359	0·02	289	0·02	439	0·02	544	0·03	576	0·02	906	0·03	1,427	0·05	1,270	0·04
Thailand	3,890	0·23	3,019	0·20	3,765	0·21	5,730	0·30	5,602	0·24	7,851	0·29	8,801	0·29	10,044	0·32
Uruguay	1,554	0·09	1,312	0·08	2,109	0·12	1,085	0·06	1,261	0·05	2,221	0·08	988	0·03	1,080	0·03
China[3]	26,189	1·55	24,829	1·61	33,562	1·91	36,891	1·91	44,756	1·93	51,238	1·89	58,594	1·93	50,574	1·60
Egypt[3]	5,285	0·31	3,719	0·24	3,930	0·22	3,851	0·20	4,635	0·20	7,242	0·27	8,068	0·27	6,897	0·22
Malaysia	3,817	0·23	3,133	0·20	4,947	0·28	3,992	0·21	5,177	0·22	6,623	0·24	5,636	0·19	6,531	0·21
Mexico	3,396	0·20	2,212	0·14	1,931	0·11	2,773	0·14	1,750	0·08	3,744	0·14	3,310	0·11	6,486	0·21
Argentina	1,674	0·10	654	0·04	361	0·02	480	0·02	0	0·00	0	0·00	21	0·00	3	0·00
Taiwan	7,912	0·47	7,660	0·50	7,903	0·45	13,770	0·71	15,759	0·68	15,558	0·58	15,599	0·51	25,948	0·82
Total United Kingdom imports	1,691,142		1,543,711		1,761,624		1,927,560		2,320,228		2,705,437		3,032,026		3,162,369	

[1] Each MFA signatory's percentage of total textiles (Division 65) imported into United Kingdom.

[2] Bulgaria is not included as an MFA signatory because it is not a signatory to the General Agreement on Tariff and Trade (GATT). Costa Rica is not included as an MFA signatory because, although it has applied, a bilateral agreement has not yet been signed.

[3] For all but two of the MFA signatories the agreement was initialised in 1986. For China, the agreement was initialised in 1984 and for Egypt it was initialised in 1979 and ended in 1986.

Source: Overseas Trade Statistics on general trade and country of consignment basis.

EDUCATION AND SCIENCE

Pupil Records

Mr. Andrew F. Bennett: To ask the Secretary of State for Education and Science when the results of the consultations on the keeping and disclosure of pupil records will be published and the regulations made.

Mrs. Rumbold: We shall announce the results of the consultation and lay regulations before the end of this year.

Education at Home

Mr. Lester: To ask the Secretary of State for Education and Science (1) how many children are being educated at home by their parents under section 36 of the 1944 Act in England and Wales;

(2) what change there has been in the numbers of children being educated at home by their parents under section 36 of the 1944 Act in England and Wales over the past five years;

(3) how his Department monitors the education of children who are taught at home by their parents.

Mr. Dunn: It is for the local education authorities to monitor the education of children who are taught otherwise than at school. The Department does not do so, and has no information on the numbers being educated at home.

The Education Acts lay a duty on the parent to ensure that a child receives suitable full-time education, either by regular attendance at school or otherwise, and require the LEA to take action if it appears that the parent's duty is

not being performed. Her Majesty's inspectorate of schools' powers to inspect do not extend to education at home.

Student Support

Mr. John M. Taylor: To ask the Secretary of State for Education and Science whether a period of full-time education during which a student supports himself from accumulated earnings, earned within the qualifying period, counts towards the aggregated three-year period of self-support in the interpretation of awards regulation 3(1)(b).

Mr. Jackson: Yes. A student is independent in the meaning of the regulation if he has supported himself out of his own earnings for any periods adding up to three years before the first year of his course. It is immaterial whether he supported himself out of current earnings or savings from previous earnings.

Higher Education

Mr. Fatchett: To ask the Secretary of State for Education and Science when he expects to publish for consultation the draft articles of government for higher education corporations within the ambit of the Polytechnic and Colleges Funding Council; and if he will make a statement.

Mr. Jackson: We intend to publish draft model articles of government for the higher education corporations in June for consultation, so that, assuming the Education Reform Bill is passed, model articles can be issued shortly after Royal Assent.

Research Reactor (Grenoble)

Dr. Thomas: To ask the Secretary of State for Education and Science, pursuant to the reply to the hon. Member for Meirionnydd Nant Conwy, 29 April, *Official Report*, column *333*, on international collaboration involving the United Kingdom, what involvement the United Kingdom has in the multilateral high flux research reactor in Grenoble in partnership with France and the Federal Republic of Germany; how long the United Kingdom has been a participant in the project; and if he will make a statement.

Mr. Jackson: The United Kingdom is involved with the multilateral high flux research reactor in Grenoble through its partnership in the Institut Max von Laue—Paul Langevin (ILL) with France and West Germany. It has a 33 per cent. share in the partnership. The United Kingdom joined the partnership in 1972 for an initial period of 10 years and this was extended so that the present agreement continues until 1992. The basis of United Kingdom membership after 1992 will be a matter for negotiation with the other parties to the agreement. Originally the ILL was a project between France and West Germany which started in 1967. The United Kingdom subscription currently costs about £8·6 million per annum.

WALES

Further Education

Mr. Andrew F. Bennett: To ask the Secretary of State for Wales how many pupils, and what percentage, remained in full-time education after 16 and 17 years of age in each local authority in 1978-79 and the latest date available and the total for Wales.

Mr. Wyn Roberts: Figures are not available for 1978-79. The latest information available is for the 1986-87 academic year and is as follows:

Welsh Pupils in Full-Time Education in Schools and Colleges of Higher and Further Education in Wales[1]

Home Authority	*Aged 16*[2]		*Aged 17*[2]	
	Number	*Per cent.*[3]	*Number*	*Per cent.*[3]
Clwyd	3,023	49	2,105	32
Dyfed	2,661	52	1,912	36
Gwent	3,350	49	2,309	33
Gwynedd	1,947	53	1,266	33
Mid Glamorgan	4,069	50	2,580	31
Powys	963	57	702	41
South Glamorgan	2,860	45	2,020	31
West Glamorgan	2,519	47	1,953	35
Total Wales	21,392	49	14,847	33

[1] As at January 1987 for schools and November 1986 for colleges of higher and further education.
[2] Age as at 31 August 1986.
[3] As a percentage of the 1986 mid year home population estimates.

Nurses (Pay)

Mr. Alan Williams: To ask the Secretary of State for Wales what estimate he has made of the cost in Wales of the nurses' pay settlement in 1988-89 and in each of the next two years; and how much of the extra cost in each year is to be met from within the existing Welsh expenditure programmes.

Mr. Grist *[holding answer 16 May 1988]:* The cost in Wales of the nurses' pay settlement in 1988-89 is estimated at £40·295 million. After taking account of the allowance for pay and price inflation built into health authorities' 1988-89 allocations the additional cost to be met by district health authorities this year is estimated to be £27·41 million. Authorities will receive their full shares of the estimated cost from extra funds that we shall shortly be making available.

It is not possible at present to estimate the additional costs in future years as this will depend on the effects of the new grading structures to be introduced.

Pre-school Playgroups Association

Mr. Barry Jones: To ask the Secretary of State for Wales how much he has paid to the Pre-school Playgroups Association movement in Wales in real terms for each of the years from 1980 to 1988-89.

Mr. Grist *[holding answer 17 May 1988]:* The annual grants paid to the Pre-school Playgroups Association in Wales at 1987-88 prices in respect of its headquarters expenses for the years ending 31 March 1980-88 is as follows:

	Pounds
to 31 March 1981	84,297
31 March 1982	94,192
31 March 1983	106,687
31 March 1984	114,820
31 March 1985	111,970
31 March 1986	110,382
31 March 1987	124,425
31 March 1988	122,997

Grant assistance for 1988-89 is currently under consideration.

Mr. Barry Jones: To ask the Secretary of State for Wales if he proposes to pay Pre-school Playgroups Association, Wales, all-Wales mental health strategy moneys; and how much, in real terms, he has paid from this source in each of the years from 1983 to 1987-88.

Mr. Grist *[holding answer 17 May 1988]:* On the assumption that the hon. Gentleman is referring to the all-Wales mental handicap strategy, funding from this source has been provided direct to the Pre-school Playgroups Association (PPA) (Wales) as set out in the following table (1987-88 constant prices):

Year	*£*
1983-84	1,415
1984-85	7,383
1985-86	27,447
1986-87	30,250
1987-88	21,500

We are currently considering an application for further funding.

As indicated in my answer to the hon. Gentleman on 10 May, at column *73*, all-Wales mental handicap strategy moneys are also made available to voluntary groups, including PPA, through local authorities.

Rating Reform

Mr. Nicholas Bennett: To ask the Secretary of State for Wales if he will list the average rate paid by a domestic ratepayer in each Welsh district in 1988-89, together with his estimate for the community charge which would be payable by each payee in 1988-89 had the proposed system been in operation.

Mr. Grist *[pursuant to his reply, 10 May 1988, c. 72]:* Average rate bills per household for 1988-89 are given in the following table:

Community charge and average rate bill for each Welsh district 1988-89

	Average rate bill per household[1] *£*
Alyn and Deeside	352
Colwyn	351
Delyn	344
Glyndwr	287
Rhuddlan	339
Wrexham Maelor	313
Carmarthen	243
Ceredigion	257
Dinefwr	213
Llanelli	262
Preseli Pembrokeshire	239
South Pembrokeshire	280
Blaenau Gwent	221
Islwyn	249
Monmouth	348
Newport	349
Torfaen	297
Aberconwy	324
Arfon	222
Dwyfor	247
Meirionnydd	246
Ynys Môn	279
Cynon Valley	200
Merthyr Tydfil	235
Ogwr	308
Rhondda	159
Rhymney Valley	274
Taff Ely	289
Brecknock	255
Montgomeryshire	236
Radnor	237
Cardiff	354
Vale of Glamorgan	343
Port Talbot	296
Lliw Valley	274
Neath	298
Swansea	381
Total Wales	288

[1] Average domestic rate bills per household are on a basis comparable with community charge figures and exclude any use of balances. Households are defined, for this purpose, as domestic hereditaments.

ENERGY

Radioactive Waste

Mr. Cohen: To ask the Secretary of State for Energy what is the current total level of radioactive wastes returnable to each country under British Nuclear Fuels plc contracts.

Mr. Michael Spicer: The volumes of waste which are likely to arise from BNFL's existing overseas reprocessing contracts with return of waste options are:

high-level waste, 200 cu m;
intermediate-level waste, 3,500 cu m;
low-level waste, 23,000 cu m.

The waste mentioned will arise from contracts with electricity utilities in the Federal Republic of Germany, Italy, Japan, the Netherlands and Switzerland. The volume arising from each country is commercially confidential.

Sellafield (Emergency Exercise)

Dr. Thomas: To ask the Secretary of State for Energy if he will make a statement on *(a)* the planning assumptions adopted, *(b)* the effectiveness of the communication within and between the emergency services, *(c)* the lessons learnt by his Department, the emergency services and Her Majesty's Nuclear Installations Inspectorate, and *(d)* the total cost incurred for the simulated emergency exercise conducted at British Nuclear Fuels plc, Sellafield on 4 May.

Mr. Michael Spicer: An emergency exercise to test the offsite centre for BNFL's Sellafield site was held under the supervision of Her Majesty's Nuclear Installations Inspectorate on 4 May. The exercise was designed to test the procedures for responding to an accident involving an offsite release of radioactivity. A detailed assessment of the exercise is now being carried out by BNFL, in close consultation with the nuclear inspectorate, local authorities, local emergency services and Government Departments and agencies involved. The lessons learnt will be incorporated in revised arrangements and procedures for the Sellafield site and, where appropriate, in the emergency plans for other nuclear installations. It is not

possible to calculate the full costs of the exercise, which were largely confined to staff time involved, as some dozen different organisations participated.

TRANSPORT

Ships (Refuse Discharge)

78. **Mr. Heathcoat-Amory:** To ask the Secretary of State for Transport if he has any plans to change the regulations governing the discharge of refuse from ships near British coasts.

Mr. David Mitchell: There are at present no regulations governing the discharge of ship-generated refuse (garbage) into the sea. However, with the coming into force of annex V of the international convention for the prevention of pollution from ships 1973, regulations are being prepared to implement its provisions so as to come into force on 31 December 1988.

Channel Tunnel

Mr. Warren: To ask the Secretary of State for Transport what increase in road traffic is anticipated to arise from the completion of the Channel tunnel; and if he will take steps to ensure that the road transport system for the south-east will be sufficient to meet the increased demand.

Mr. Peter Bottomley: The effect of the tunnel on traffic volumes in the south-east will vary from route to route. For example, on the M20 in the vicinity of the tunnel, average daily August flows are predicted to increase from about 29,000 (without a tunnel) to 34,000 by the year 2008; for the A259 the increase is predicted to be less than 1,000 vehicles per day.

The trunk road programme is kept under constant review. Schemes are added as need is identified.

A number of major trunk road improvements in the south-east are already programmed, in particular on the M20/A20 and A259 routes. The Hastings eastern bypass, St. Mary's bay and Dymchurch bypass on the A259, and the M20/A259 Hythe improvement were added at the last programme review in 1987.

Mr. Adley: To ask the Secretary of State for Transport if he will detail the latest traffic forecasts available to him for Channel tunnel passengers and freight *(a)* to London and *(b)* to destinations beyond London; and what plans he is making to keep these forecasts up to date.

Mr. David Mitchell: The latest available forecasts of Channel tunnel passengers and freight on through rail services was released by British Rail at a recent seminar and I am sure that British Rail would make its forecasts available to my hon. Friend. Eurotunnel plc has also produced its own forecasts of Channel tunnel traffic which are available to my Department. Eurotunnel's forecasts were published in part in its share flotation offer for sale published, inter alia, in the *Financial Times* of 18 November 1987 — available from the Library. British Rail, Eurotunnel and the other organisations that have produced Channel tunnel traffic forecasts will no doubt update their forecasts whenever they think it necessary.

Although the Channel tunnel is a private sector undertaking the level of Channel tunnel traffic has wide implications for transport in the United Kingdom and therefore my Department forms its own view on the available forecasts where they have implications for the public sector.

Mr. Adley: To ask the Secretary of State for Transport whether his Department treats applications from commercial operators seeking to provide themselves with environmentally acceptable links to Channel tunnel rail infrastructure as fulfilling the criteria for eligibility for section 8 grants; and if he will make a statement.

Mr. David Mitchell: It is open to any consignor or freight handler to make an application for section 8 grant towards private rail facilities where moving freight by rail, rather than by road, will lead to environmental benefits. Such applications, whether they involve Channel tunnel traffic or not, will need to meet the normal freight facilities grants criteria and will be considered on their merits.

City Commuter Services Group

Mrs. Dunwoody: To ask the Secretary of State for Transport if he has discussed the report of the city commuter services group with the chairman of British Rail; and if he will make a statement.

Mr. David Mitchell: I refer the hon. Member to the reply I gave the hon. Member for Wrexham (Dr. Marek) on 16 May 1988 at column *664*.

British Rail Stations (Toilet Facilities)

Mrs. Dunwoody: To ask the Secretary of State for Transport if, when he next meets the chairman of British Rail, he will raise with him the provision of toilet facilities at all British Rail stations; and if he will make a statement.

Mr. David Mitchell: This is entirely a matter for the board's commercial judgment.

Stansted Rail Traffic

Mr. Adley: To ask the Secretary of State for Transport what information he has about the new works required to bring Stansted rail traffic into Liverpool street; and what future plans there are for diverting this traffic to St. Pancras.

Mr. David Mitchell: I understand from British Rail that it plans to complete work on the rail link to Stansted airport by January 1991, allowing it to operate a fast, direct service to Liverpool street station. The total cost, including specially built new trains, will be £45 million at today's prices. I understand that BR has no plans at present to divert any of this traffic to St. Pancras, but that it will avoid taking any action to preclude its doing so in future should the need arise.

Railway Electrification

Mr. Adley: To ask the Secretary of State for Transport if he will indicate the change in statistical information which has resulted in his recent decision to approve electrification of the Portsmouth to Southampton and Portsmouth to Eastleigh railway lines; and if he will make a statement.

Mr. David Mitchell: I approved the board's formal proposal for electrification of these lines on 20 April on the grounds that the project would help BR reduce its operating costs and improve the service to passengers.

Manchester Airport

Mr. Alfred Morris: To ask the Secretary of State for Transport what was the outcome of his Department's meeting with representatives from Manchester airport on 13 May in regard to United States carrier access to the airport; and if there is any further action he will be taking.

Mr. Peter Bottomley: There was a useful exchange of views; further action will be taken at the appropriate time.

Road Safety (Departmental Staff)

Mr. Tony Lloyd: To ask the Secretary of State for Transport what statistical information is available on the numbers of personnel employed by his Department on road safety matters.

Mr. Peter Bottomley: Road and vehicle safety directorate, which includes the vehicle inspectorate and driver training and testing organisation, employs 3,755 staff. Other parts of the Department directly contributing to road safety include the highways command, the transport and road research laboratory, the traffic area offices and, as regards vehicle records and documentation, the driver vehicle and licensing centre at Swansea.

Driver Licensing System

Mr. Simon Coombs: To ask the Secretary of State for Transport what responses he has had to the consultation document on proposals for a new driver licensing system in the 1990s.

Mr. Peter Bottomley: The replies indicate general support for the concept of harmonisation with other EC member states.

The idea of a single licence showing all driving entitlement was favourably received. Support for the traffic commissioners retaining responsibility for the conduct of vocational drivers was virtually unanimous. Some reservations were expressed about the proposal to bring the level of medical checks for HGV drivers into line with those that currently apply to drivers of public service vehicles.

The categories of driving entitlement in the EC model system caused serious concern among voluntary and community transport organisations as well as motor manufacturers.

Over 80 per cent. of the responses suggested that tighter controls on drivers of minibuses and light goods vehicles would seriously impair the operation of these services as well as the demand for the vehicles in question.

The entitlement of existing ordinary licence holders to drive minbuses and light goods vehicles will be preserved in the new licensing system.

The Department will press strongly in the negotiations on the forthcoming second Community driving licence directive to preserve the existing arrangements for new drivers. This should not affect the other changes which are considered worth while.

We shall be seeking the necessary legislation at the first available opportunity.

HOME DEPARTMENT

Police National Computer

Mr. Cohen: To ask the Secretary of State for the Home Department what new facilities will be available to the new police national computer through its proposed link to the driver and vehicle licensing centre; and what police national computer facilities will be available to the driver and vehicle licensing centre.

Mr. Douglas Hogg: A comprehensive survey of the requirements of the police for PNC services is presently in hand and a direct link to the DVLC is one of the potential applications being considered. No decisions on new applications will be taken, however, before the results of this user requirements survey have been carefully considered in terms of their technical, financial and any other relevant implications.

Police (Complaints)

Mr. Frank Field: To ask the Secretary of State for the Home Department if he will introduce legislation to set up an independent non-police body under the control of the Police Complaints Authority to investigate allegations of serious misconduct on the part of the police officers.

Mr. Douglas Hogg: No. The Police Complaints Authority already has extensive powers to supervise and direct the progress of the investigation of serious allegations against police officers.

Police Officers (Notebooks)

Mr. Frank Field: To ask the Secretary of State for the Home Department if he will introduce a system of time-stamping police officers' notebooks where it is intended that the contents of these notebooks are to be used as evidence in court proceedings.

Mr. Douglas Hogg: We are not persuaded of the necessity for such action. If an occurrence is not written up at the time, or very shortly after it takes place, the officer concerned will be expected to record the date and time at which it is subsequently noted. In the Metropolitan police this is a requirement in standing orders.

Mr. Roc Sandford

Mr. Frank Field: To ask the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis as to why no response has been received by Mr. Roc Sandford or his solicitors to a complaint addressed to the Commissioner of Police of the Metropolis on 27 February 1986 alleging criminal activities on the part of police officers at West End Central police station.

Mr. Douglas Hogg: I understand that the letter of 27 February 1986 from Mr. Sandford's solicitors was handled as a letter before action in civil litigation. Its contents have been dealt with in subsequent communication between the Metropolitan police solicitor and Mr. Sandford's legal advisers.

Mr. Frank Field: To ask the Secretary of State for the Home Department if he will make public the reports of the two internal police complaints bureau investigations into the circumstances of the arrest and prosecution of Mr. Roc Sandford.

Mr. Douglas Hogg: No. It is not the practice to publish reports of this kind.

Radio Surveillance Equipment

Mr. Cran: To ask the Secretary of State for the Home Department (1) how many prosecutions have been brought over the last 10 years against those contravening the Wireless Telegraphy Acts by using radio surveillance equipment without a licence;

(2) how many prosecutions have been brought over the last 10 years against those contravening the Telecommunications Acts by using radio surveillance equipment in conjunction with telephone instruments and/or telephone lines without a licence.

Mr. John Patten: It is not possible to distinguish prosecutions for such offences from the records of court proceedings held centrally.

Sports Clubs (Sex Discrimination)

Mr. Frank Field: To ask the Secretary of State for the Home Department if he is yet in a position to report on the Government's response to the Equal Opportunities Commission's paper on sex discrimination in private sports clubs.

Mr. John Patten: I refer the hon. Member to the reply which I gave to a question from the hon. Member for Barking (Ms. Richardson) on 14 March at columns *422-23*.

Police (Airborne Transport)

Mr. Greg Knight: To ask the Secretary of State for the Home Department (1) what information he has as to the total cost to police forces in England and Wales of using aeroplanes or other airborne transport, including fuel, maintenance and staff costs, for detecting or apprehending motorists exceeding speed limits over the past 12 months;

(2) what information he has as to which police forces have utilised aeroplanes or any other airborne transport during the past 12 months for the purpose of detecting or apprehending motorists exceeding speed limits, and on how many occasions.

Mr. Douglas Hogg: A Home Office-sponsored experiment was carried out by the West Midlands police air support unit in February 1988, over a stretch of the M42, covering the West Midlands and West Mercia force areas, to assess how the presence of a police aircraft on patrol affected motorists' speed and road safety generally. There were three flights over a two-week period, totalling four hours 45 minutes. The experiment was funded by the Home Office and the cost to the forces concerned was limited to the salaries of the police observers. There is no record of other police air support units in England and Wales using aircraft for this purpose during the past 12 months.

Mr. Greg Knight: To ask the Secretary of State for the Home Department (1) what information he has as to which police forces have utilised aeroplanes or any other airborne transport during the past 12 months for the purpose of detecting or clearing up offences of burglary, not connected with terrorism; and on how many occasions;

(2) what information he has as to which police forces have utilised aeroplanes or any other airborne transport during the past 12 months for the purpose of detecting or clearing up offences of theft, not connected with terrorism; and on how many occasions.

Mr. Douglas Hogg: The available information is as follows:

(i)	*(ii)*		*(iii)*	*(iv)*	*(v)*
Police Air Unit[1]	*Number of occasions where aircraft called to incidents involving*		*Number of occasions in (ii) where arrests made*	*Number of arrests (where information available)*	*Period Covered*
	Burglary	*Theft*			
Devon and Cornwall	—	—	14	—	12 months to May 1988
Hampshire	35	45	10	—	12 months to May 1988
Midlands (comprising West Midlands, Staffordshire, West Mercia and Warwickshire)	7	32	29	94	July 1987 to May 1988
TOTAL	42	77	53	94	

[1] Excludes the Metropolitan police and Thames Valley air support units, where information is not kept in the form requested.

Mr. Greg Knight: To ask the Secretary of State for the Home Department if he has any plans to discuss with chief constables the circumstances in which aeroplanes are used for the purpose of crime detection and prevention; and if he will make a statement.

Mr. Douglas Hogg: No, but it is intended to circulate to chief constables later this year:

(i) an information package containing advice and guidance about the use of aircraft for police operations; and

(ii) a report on the cost-effectiveness of the midlands air operation which was set up on a trial basis in 1987.

Police Priorities

Mr. Greg Knight: To ask the Secretary of State for the Home Department what assessment he has made of the effectiveness in maintaining law and order generally of the relative priority in terms of manpower and resources accorded by different police forces to *(a)* detecting and

preventing crimes of violence and burglary and *(b)* detecting and apprehending motorists exceeding speed limits; and if he will make a statement.

Mr. Douglas Hogg: Chief officers of police determine their objectives and priorities in relation to local circumstances, in consultation, where appropriate, with local police authorities. Her Majesty's inspectors of constabulary report annually on the efficiency and effectiveness of all provincial police forces. Their professional assessment of overall performance takes into account such matters as the extent and nature of policing problems, and the priority given to the prevention and detection of different types of crime.

Arms Cache (Discovery)

Mr. Adley: To ask the Secretary of State for the Home Department what information he has as to which police force or forces have carried out inquiries following the discovery of an arms cache in a city in the north of England in 1987; and if he will call for a report from the appropriate chief constables as to the size and nature of the cache, as to the progress of the police inquiries and as to what lines of investigation the police are pursuing concerning the source of the arms, the purpose for which they were intended and any involvement by foreign Governments or their agencies.

Mr. Hurd: My hon. Friend may have in mind a case which is sub judice at present. It would not be right to comment.

NHS Lottery

Mr. Pendry: To ask the Secretary of State for the Home Department to what extent his Department and the Gaming Board are monitoring the establishment and operation of the privately promoted National Health Service lottery with a view to assessing the implications for Government policy towards the geographical extent of, and size of prizes offered by, lotteries; and if he will make a statement.

Mr. John Patten: The Department and the Gaming Board are taking a close interest in any information about this lottery which is available, because of the promoters' statements that they have found a means within the Lotteries and Amusements Act 1976 to offer a first prize considerably in excess of the maximum amount which the law allows for a single lottery. The Gaming Board has recently brought to the notice of the Crown Prosecution Service aspects of the enterprise, to consider whether or not they may be in breach of the 1976 Act.

Accused Persons (Defence)

Mr. Hind: To ask the Secretary of State for the Home Department whether he will give details of the further work he proposes on the consequences when an accused person produces at his trial a line of defence which he has not previously mentioned to the police.

Mr. Hurd: As I said on Second Reading of the Criminal Justice Bill on 18 January 1988, at column 687, I started a discussion, beginning with a lecture to the Police Foundation in July, on a recommendation made by the Criminal Law Revision Committee in 1972. This was that the court should be able to draw whatever inferences appeared proper from the accused's failure, when interviewed by the police, to mention facts later relied on in his defence, and such failure should also be able to corroborate other evidence against him.

There has been a lively debate, and I have listened carefully to the arguments for and against change. I am not convinced that the protection which the law now gives to the accused person who ambushes the prosecution can be justified. The case for change is strong. But I am persuaded by some of the comments which have been made that more careful work needs to be done before we can bring forward with confidence a specific proposal for legislation. I do not see the Criminal Justice Bill, which is already long and detailed, as the right vehicle for such a proposal.

The work which needs to be done covers matters such as the precise form of the change in the law which would best achieve our purposes given the significant changes in police and criminal procedure in England and Wales in recent years, and of any warning given by the police to suspects before commencing interviews; the practical implications, both for police interviews and in court; and the relevance of other measures to encourage early disclosure of the defence case. I am asking a small working group under the chairmanship of a senior Home Office official to carry this work forward, and advise me by early next year, with a view to legislation in due course. The group will include a senior police officer, experienced members of both branches of the legal profession and a senior member of the Crown Prosecution Service. Since there will be implications for law and practice in Northern Ireland, I am, with the agreement of my right hon. Friend the Secretary of State, also arranging for an official from his office to serve on the group.

The members of the working group will be:

Mr. W. J. Bohan
Head of the Criminal Policy Department, Home Office
(Chairman)

Mr. K. R. Ashken
Crown Prosecution Service

Mr. Colin Bailey
Assistant Chief Constable (Crime), West Yorkshire Police

Mr. B. A. Blackwell
Northern Ireland Office

Mr. Michael Kalisher QC
Barrister and a Recorder of the Crown Court

Mr. P. M. Raphael
Solicitor

Provincial Police Force Establishments

Mr. Soames: To ask the Secretary of State for the Home Department whether he has reached decisions on the applications from police authorities for increase in provincial police force establishments in 1988-89.

Mr. Hurd: I have approved 450 additional posts with effect from 1 June as follows:

Police authority	*Posts approved*
Avon and Somerset	20
Bedfordshire	10

Police authority	Posts approved
Cambridgeshire	20
Cheshire	15
Devon and Cornwall	25
Essex	20
Gwent	9
Hampshire	23
Kent	30
Norfolk	20
Northamptonshire	20
Northumbria	30
North Wales	10
Nottinghamshire	35
South Yorkshire	20
Staffordshire	10
Thames Valley	40
West Midlands	70
West Yorkshire	23

With the 50 additional police posts previously authorised for Thames Valley with effect from 1 April 1988, I have now approved 500 police posts for provincial forces for 1988-89. This is part of the phased programme of about 2,000 additional posts for provincial forces which I announced in May 1986 and brings to 5,553 the posts approved since 1979.

Residential Care Television Licence Scheme

Mr. Lord: To ask the Secretary of State for the Home Department what changes he proposes to the accommodation for residential care television licence scheme; and if he will make a statement.

Mr. Hurd: I am today laying amendment regulations, which will come into force from midnight tonight, which set out revised criteria for eligibility for the accommodation for residential care concessionary television licence.

The purpose of the concessionary scheme is to enable pensioners and disabled people who live in residential homes or in sheltered housing provided by a local authority or a housing association to obtain a television licence at a reduced fee. Following a High Court judgment last year it is clear that under the current regulations many people whom the scheme was never intended to benefit would now qualify. The purpose of the new regulations is to reinstate the original intention.

The new regulations therefore define more closely the accommodation which will qualify. In future, in order to qualify for the concessionary licence, the accommodation in question will have to form a group of at least four dwellings, within a common boundary, specially provided by way of erection or conversion only for elderly or disabled people, and provided or run by a local authority or housing association, with a dedicated warden and a common facility for the use of all the occupants.

These amendments will not affect the application of the regulations to residential homes, which will continue to qualify for the concessionary licence if they meet the statutory requirements. However, as a result of changes in the pattern of care for elderly people, I have decided additionally to extend the scope of the concession to nursing homes registered under the relevant legislation. At present, people in such nursing homes who have their own television in their private rooms have to pay the full licence fee. In future, they will be able to enjoy the benefits of the concessionary licence on the same footing as people in residential homes This will remove an anomaly in the present scheme.

The new regulations will apply only to new applications received after today. The position of existing beneficiaries is preserved by a provision in the regulations which will enable them to continue to enjoy the concession. This means that anyone living in accommodation which is now covered by the concessionary licence will continue to have the benefit of that concession for as long as he or she occupies that accommodation. This will include most, if not all, of the outstanding applications made before the new regulations come into force.

I have also decided that the concessionary licence fee should be increased from 5p to £5 per year. The fee has not been increased since it was first introduced in 1969, and is now considerably less than the cost of collecting it. During this period the single pension has increased tenfold. The increase is about the same as that which all other pensioners will pay this year for the standard colour television licence, so the concession will remain a valuable benefit. The additional licence revenue will compensate for the enlargement of the scheme over a period.

We do, of course, recognise that there are many elderly and disabled people who do not live in sheltered accommodation, and who do not always find it easy to pay the television licence fee. I have therefore decided to introduce a pay-as-you-go scheme which will enable everyone to pay for their television licence by instalments. This will be available in 1989. Unlike the present instalment scheme, which requires someone to pay a full year's licence in advance before joining the scheme, it will be possible under the new scheme to get a television licence on payment of the first instalment. The aim is to give the licence payer the widest possible choice of ways of paying for the television licence, and of spreading the cost.

ATTORNEY-GENERAL

NHS Lottery

Mr. Pendry: To ask the Attorney-General if he will prosecute the directors of Loto for distributing coupons in connection with a National Health Service lottery which falsely state that the lottery has been registered in accordance with the statutory requirements; and if he will make a statement.

The Attorney-General: The Director of Public Prosecutions has recently received a complaint which alleges that the lottery to which the hon. Gentleman refers contravenes the Lotteries and Amusements Act 1976. The Director is considering the matter.

Visas

Mr. Tony Lloyd: To ask the Attorney-General what is the length of time it currently takes to complete an appeal against refusal of a visitor's visa from the Indian subcontinent.

The Attorney-General: Statistics about the time taken to complete individual appeals are not available. However, it is estimated that such an appeal would currently take at least seven months to complete, broken down as follows:

(i) from receipt of an appeal at posts in the Indian subcontinent to preparation of the Entry Clearance Officer's explanatory statement and dispatch of papers to the appellate authorities in London: three to six months;

(ii) from receipt in London to dispatch of papers to both parties: up to four weeks;

(iii) from receipt of papers by both parties to issue by each party of a certificate of readiness to proceed: this is in the hands of the parties and times vary from a few weeks to many months;

(iv) from certification of readiness to proceed to hearing date: up to two months, but longer where parties request adjournments;

(v) from hearing date to issue of appeal decision: about two weeks.

Following the transfer of administrative responsibility for the immigration appelate authorities to the Lord Chancellor, the working methods and procedures of the authorities, including the question of time limits, are presently under review.

SCOTLAND

Pre-Five Schemes

Mrs. Fyfe: To ask the Secretary of State for Scotland whether he will make further urban programme provision available to assist plans for pre-five schemes.

Mr. Lang: Applications for assistance under the urban programme for pre-five schemes will continue to be considered within the criteria and priorities of the programme, in competition with all other bids for funding at the particular time.

Housing Accommodation

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will compile information on the incidence of overcrowding in housing accommodation in each district and islands area.

Lord James Douglas-Hamilton: No. However, the Housing (Scotland) Bill makes an amendment to part VII of the Housing (Scotland) Act 1987 which will again allow local authorities to make surveys of the extent of overcrowding in their areas.

Mortgage Defaults

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will seek to obtain information from building societies and local authorities about the incidence of mortgage defaults in each district and islands area in Scotland, together with information about the causes of this problem and arrangements made for rehousing the people concerned.

Lord James Douglas-Hamilton: No.

Salmon Stocks

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will place in the Library any scientific evidence which is available to him concerning the effect of legal netting operations on salmon stocks in Scottish rivers; and if he will review the weekly close time for such operations before the start of the 1989 season in the light of such evidence.

Mr. Michael Forsyth: No. The scientific evidence available to the Government reflected the outcome of research and monitoring work on the state of salmon stocks in Scotland and was discussed in the course of the consideration of the weekly close time regulations by the Second Standing Committee on Statutory Instruments on 4 May. The Government have no plans for a further review of the weekly close time for salmon net fishing in Scotland.

Afforestation

Ms. Quin: To ask the Secretary of State for Scotland whether the Forestry Commission is planning to carry out or commission any surveys to locate areas where further afforestation in Caithness and Sutherland can best be integrated with other interests.

Lord James Douglas-Hamilton: The Highlands regional council set up a working party to prepare a land use strategy for Caithness and Sutherland. The Forestry Commission attends the working party as an observer and provides advice based on information the commission currently holds. The commission has no plans to carry out any separate surveys of land use in the area.

Children (Special Educational Needs)

Mr. Malcolm Bruce: To ask the Secretary of State for Scotland if he will issue guidance to health boards on the provision of information to parents of deaf children and all children with special educational needs.

Mr. Michael Forsyth: Information to parents is already available from the health professionals who care for their deaf children. The Scottish Home and Health Department issued guidance to health boards in 1982 on the identification, assessment and recording of children with handicap and with special educational needs, and I do not consider that further guidance is required.

Infant Mortality

Dr. Moonie: To ask the Secretary of State for Scotland what was the infant mortality rate for Scotland in the latest three years for which figures are available.

Mr. Michael Forsyth: The information is as follows:

Infant mortality rates, Scotland, 1985-87

	Rate per 1,000 live births
1985	9·4
1986	8·8
[1]1987	8·5

[1] Provisional figure.

Heart and Lung Disease

Dr. Moonie: To ask the Secretary of State for Scotland what percentage of the total Scottish population suffered from *(a)* heart disease and *(b)* lung disease in the latest three years for which figures are available.

Mr. Michael Forsyth: This information is not routinely available.

Forestry (Hampshire)

Mr. Barry Field: To ask the Secretary of State for Scotland what information he has about the total value of forestry products from Hampshire for the last five years.

Lord James Douglas-Hamilton: The value of timber and Christmas trees removed from Forestry Commission woodlands in Hampshire between 1 April 1983 and 31 March 1988 was approximately £6·9 million.

The value of produce from private woodlands over that period is not known.

Milk Marketing Boards

Sir Hector Monro: To ask the Secretary of State for Scotland what action he has taken in regard to the three milk marketing boards in Scotland in the light of the Touche Ross study commissioned by the Minister of Agriculture, Fisheries and Foods into the England and Wales Milk Marketing Board's commercial activities.

Mr. Rifkind: My Department has recently completed a study on Scottish Pride Quality Dairy Food, the Scottish Milk Marketing Board's commercial arm. Copies of the report are now available in the Library of the House. Discussions with interested parties on the report's conclusions will now begin. Studies on the other two boards in Scotland will start shortly.

RPI (Error)

Sir Hector Monro: To ask the Secretary of State for Scotland what decisions have been taken on the disbursement of money to charitable bodies in Scotland following the error in the retail prices index.

Mr. Michael Forsyth: The balance of the funds available for distribution from this source to charities in Scotland is £0·696 million. My right hon. and learned Friend has decided to allocate £0·34 million to Scottish Television's Telethon Trust, health boards and the other bodies mentioned in the table. Discussions will take place with these bodies to agree arrangements for the distribution of these allocations to appropriate charitable purposes at the local level. The remaining £0·355 million will be available for allocation to individual bodies in the relevant fields and within the voluntary sector more widely to groups most likely to contain persons in the relevant categories. These groups will include the elderly, the physically and mentally handicapped and the mentally ill, single parents and children. Projects will be expected to provide some immediate and significant benefit to members of the client group concerned, for example, by increasing mobility or providing ease of access to learning, recreational or leisure opportunities. Voluntary organisations will be advised of the purposes for which grant applications may be made and the procedure to be followed in submitting applications.

	£
Telethon 88	120,000
Health Boards	100,000
Community Trusts	70,000
Unemployed Voluntary Action Fund	50,000
Total	340,000

Road Works (Tenders)

Sir Hector Monro: To ask the Secretary of State for Scotland what proposals he has to increase the proportion of local authority general road works that is subject to competitive tender.

Lord James Douglas-Hamilton: Following a second survey of road works we have decided, as already proposed, that the threshold above which each individual job of road works is required to be submitted to competition by local authorities under the Local Government, Planning and Land Act 1980 should be reduced from £50,000 to £25,000. We believe that the additional competition will be beneficial in securing better value for money. I shall be laying the necessary regulations to give effect to this change which is to come into operation from 1 July 1988.

Health Boards (Employment Disputes)

Mr. Macdonald: To ask the Secretary of State for Scotland how many employment disputes are current between local health boards and the British Medical Association; what is the average time for settlement of such disputes over the past five years; and what is the average cost to the Health Service in locum salaries, ex gratia settlements and administrative costs of such disputes.

Mr. Michael Forsyth *[holding answer 9 May 1988]:* The information sought is not available centrally. The hon. Member may wish to address his questions to individual health boards.

Mr. Macdonald: To ask the Secretary of State for Scotland whether he has any plans to reform the procedures governing disputes between the British Medical Association and local health boards; and if he will make a statement.

Mr. Michael Forsyth *[holding answer 9 May 1988]:* While disciplinary procedures for medical consultants include a right of appeal to the Secretary of State against dismissal, procedures governing disputes between representatives of recognised staff organisations, on the one hand, and health boards, on the other, are matters for local determination. There are no plans at present to review the General Whitley Council agreement setting out the guidance on local disputes procedures, but the council is currently reviewing its agreement on procedures relating to individual employees' grievances with a view to possible changes.

AGRICULTURE, FISHERIES AND FOOD

Pesticides (Replacements)

80. **Mr. Flynn:** To ask the Minister of Agriculture, Fisheries and Food if he will consider allocating substantial governmental incentives for the development of products which lead to the replacement of wide spectrum chemical pesticides with host-specific biological agents.

Mr. MacGregor: The Agriculture Departments and the Department of Education and Science through the research councils already support a good deal of strategic research into alternatives to pesticides including biological methods of control. The development of products is for the industry.

Canary Seed

Mr. Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food what was the total amount of canary

seed imported in the most recent annual period for which figures are available; what tax was charged per ton on these imports; and what proposals the EEC has advanced for adjusting such taxes.

Mr. Donald Thompson: For the calendar year 1987 the total amount of canary seed imported into the United Kingdom was 10,300 tonnes. The import levy payable on this canary seed varied between £15·78 and £45·62 per tonne.

In its price-fixing proposal for 1988-89 the Commission of the European Communities has proposed that this import levy be aligned with that for barley which over the same period varied between £112·48 and £124·63 per tonne.

New Zealand Butter

Mr. Alfred Morris: To ask the Minister of Agriculture, Fisheries and Food whether it remains his intention, as stated in the House on 7 June 1984, *Official Report*, column *430*, and 5 July 1981, *Official Report*, column *452*, that imports of New Zealand butter shall not be taken into account by the EEC in determining the United Kingdom's milk production quota.

Mr. Donald Thompson: National reference quantities were based on delivery and sales levels in member states and took no account of imports. That remains the position. I am not aware of any proposals to change this basis.

Council of Ministers

Mr. Summerson: To ask the Minister of Agriculture, Fisheries and Food what was the outcome of the Council of Agriculture Ministers' meeting on 16 and 17 May in Brussels; and if he will make a statement.

Mr. MacGregor: The Council of Agriculture Ministers met in Brussels on 16-17 May 1988. I represented the United Kingdom.

The Council pursued discussion of the Commission's price proposals for 1988-89, without reaching conclusions, and will resume this discussion at its next meeting.

The Council addressed in particular the need to decide on new terms for charging the cereals coresponsibility levy, to reflect the decisions of the European Council, in southern member states from 1 June since their harvest begins in that month. The Council considered a Commission proposal which included provision for small producers to be exempted from the levy on the basis of present arrangements, which allow national discretion, for one further year, but on the basis of a Community definition thereafter. I and a majority of my colleagues decided that the question of a Community definition needed to be studied further, and the Council came close to unanimous agreement on amending the proposal so as to leave this question open whilst making the arrangements necessary for applying the basic and additional coresponsibility levy in the southern member states from 1 June. Reservations by Denmark and Greece prevented for the time being the unanimity required for this amendment.

In the absence of agreement on prices for the next marketing years the Council took decisions to extend the marketing years for beef and milk by a further month.

The Council adopted an amendment to the new directive on the use of hormones in animals and meat, providing that animals treated for a therapeutic or management purpose and the meat of such animals may be traded within the Community provided the hormone treatment has been withdrawn for a certain period before export or slaughter.

ENVIRONMENT

New Town Assets

2. **Mr. Hind:** To ask the Secretary of State for the Environment what plans he has to meet the chairman of the Commission for the New Towns to discuss the disposal of assets in former new towns by the commission.

Mrs. Roe: I meet the chairman of the Commission for the New Towns regularly to discuss, among other matters, the disposal of assets.

London Docklands Development Corporation

12. **Mr. Bevan:** To ask the Secretary of State for the Environment how much public money has been spent in total on the London Docklands development corporation; and how much private money has been attracted as a result.

59. **Mr. Jacques Arnold:** To ask the Secretary of State for the Environment how much money he estimates to have been levered in as a result of public funding given to the London Docklands development corporation; and if he will make a statement.

Mr. Trippier: LDDC received £396 million of Exchequer grant in aid between July 1981 and 31 March 1988. It currently estimates that some £4 billion of private sector investment commitments have been secured over that period.

Pollution Monitoring Equipment

15. **Mr. Martlew:** To ask the Secretary of State for the Environment if there has been any funding for pollution monitoring equipment through the inner area programme for 1986-87 and 1987-88; and if he will make a statement.

Mr. Trippier: My Department's records of projects funded under the urban programme do not reveal any funding of pollution monitoring equipment in the years in question. The urban programme is targeted on helping selected urban authorities to tackle exceptional problems resulting from structural economic and social change.

Urban Development Corporations

16. **Mr. Kirkhope:** To ask the Secretary of State for the Environment how much public money in total has been given to the seven urban development corporations created in December 1987.

20. **Mr. Bowis:** To ask the Secretary of State for the Environment how much public funding has been given to the seven urban development corporations set up in December 1987; and if he will make a statement.

Mr. Trippier: In December 1987 my right hon. Friend announced proposals for three new urban development corporations and the extension of the Black Country development corporation to cover parts of Wolverhampton. The necessary designation order, and an

order to designate the Sheffield DC announced in March, have now been laid. Resource allocation will be decided after Parliament has approved the orders.

22. **Mr. Patnick:** To ask the Secretary of State for the Environment if he has decided who will be chairmen of the seven urban development corporations he set up in December 1987.

Mr. Trippier: I refer my hon. Friend to my earlier answer to my hon. Friend the Member for Leeds, North-East (Mr. Kirkhope): chairmen-designate have been announced for all four urban development corporations awaiting parliamentary approval.

Local Authority Expenditure

17. **Mr. Robert Hicks:** To ask the Secretary of State for the Environment whether he has any plans to alter the capital receipts limits for local authority expenditure; and if he will make a statement.

Mr. Ridley: No.

Housing Waiting Lists

18. **Mr. Sedgemore:** To ask the Secretary of State for the Environment what is the total number of families on local authority housing waiting lists for the latest convenient date.

Mrs. Roe: In their 1987 housing investment programme returns, English local authorities reported 1,289,000 households on the waiting lists at April 1987. (Local authorities' criteria for inclusion of names on the waiting lists are not uniform and the frequency of reviewing the lists varies).

Waste Disposal

19. **Mr. Cran:** To ask the Secretary of State for the Environment how much special waste is now imported into the United Kingdom; what consultations he has had with waste disposal authorities concerning the revision of the special waste regulations; and what plans he has to introduce new regulations.

Mr. Moynihan: During 1986, 53,000 tonnes of special wastes were imported into the United Kingdom. Figures are not yet available for 1987. It is intended to issue a consultation paper to local authorities and other interested parties on a revision of the special waste regulations later this year. It is also intended that regulations to implement the EC directive on transfrontier shipment of hazardous waste will be laid before the summer recess.

Bed-and-Breakfast Accommodation

21. **Mr. Tony Banks:** To ask the Secretary of State for the Environment what are the latest figures for families in bed and breakfast in England and Wales.

Mr. Ridley: At the end of 1987 about 10,400 households, who had been accepted as homeless by English local authorities, were temporarily in bed-and-breakfast accommodation.

Council House Sales

23. **Mr. Eastham:** To ask the Secretary of State for the Environment how many council homes were sold in 1987 *(a)* to sitting tenants and *(b)* as empty properties in England and Wales.

Mrs. Roe: In 1987 91,000 tenants bought their homes from English local authorities and new towns, who also sold 3,200 vacant dwellings. In addition, the London residuary body transferred some 5,500 homes to Thamesmead Town Limited.

For sales in Wales I refer the hon. Member to my right hon. Friend the Secretary of State for Wales.

Nirex

24. **Mrs. Ewing:** To ask the Secretary of State for the Environment when he last had a meeting with the chairman of Nirex; and what matters were discussed.

Mr. Moynihan: I last met the chairman of Nirex on 22 October 1987, when a number of matters relating to Nirex were discussed.

Amusement Arcades

25. **Miss Lestor:** To ask the Secretary of State for the Environment how many local authority refusals of permission to open amusement arcades have been overturned on appeal by his Department.

Mrs. Roe: Of 304 planning appeals involving amusement arcades decided since January 1984, the earliest date from which such information is available, 203 were allowed.

Carrion Crow (London)

26. **Mr. Summerson:** To ask the Secretary of State for the Environment what steps he is taking to reduce the carrion crow population in Greater London.

Mr. Moynihan: None.

Lead-free Petrol

27. **Mr. Squire:** To ask the Secretary of State for the Environment if he is satisfied with the rate of progress in the use of lead-free petrol.

Mr. Moynihan: Before the Budget, the level of use of unleaded petrol was disappointingly low, and my right hon. Friend the Chancellor of the Exchequer therefore increased the duty differential in its favour. Use of the new fuel is increasing, but it is too early to say whether the rate of progress is satisfactory.

70. **Ms. Walley:** To ask the Secretary of State for the Environment when he envisages the attainment of 10 per cent. supply of unleaded petrol in United Kingdom garages.

Mr. Moynihan: I expect 10 per cent. of United Kingdom garages to be selling unleaded petrol by about the end of this year.

Radioactivity Detection

28. **Mr. Hood:** To ask the Secretary of State for the Environment what are the present arrangements for an effective system of radioactivity detection in the United Kingdom.

Mr. Moynihan: The existing arrangements for the monitoring of radioactivity in the United Kingdom are set out in an HMSO publication "Monitoring of Radioactivity in the United Kingdom Environment", published earlier this year. A copy has been placed in the Library of the House.

Housing Co-operatives

29. **Mr. Wallace:** To ask the Secretary of State for the Environment when he intends to publish the result of his Department's review of policy on housing co-operatives; and if he will make a statement.

Mrs. Roe: My hon. Friend the Minister for Housing and Planning, will make an announcement about the review shortly.

Dearne Valley

30. **Mr. Hardy:** To ask the Secretary of State for the Environment what steps he will now take to assist the local authorities involved to secure environmental improvements in the Dearne Valley.

Mr. Moynihan: The Department is already assisting the local authorities involved to secure environmental improvements in the area through the provision of derelict land grant and additional support under the urban programme. In addition, European money is being used to provide essential infrastructure, some of which also has environmental benefits.

It is the Department's intention to continue this support and explore with the local authorities new ways of improving the environment of the area. A recent example is the bid for European assistance towards environmental schemes in the Dearne valley which forms part of the measures contained within the integrated operation for the Yorkshire and Humberside steel area.

Olympic Games

31. **Mr. Canavan:** To ask the Secretary of State for the Environment what recent discussions he has had with the appropriate sporting authorities about United Kingdom participation in the Olympic Games.

Mr. Moynihan: None. Participation in the Olympic Games is a matter for the British Olympic Association and the governing bodies of sport.

Dersingham Bypass

32. **Mr. Bellingham:** To ask the Secretary of State for the Environment what representations he has received from the Nature Conservancy Council in connection with the A149 Dersingham bypass.

Mr. Moynihan: In February 1987 the Nature Conservancy Council made the Department aware of objections it had made to Norfolk county council (in a letter of 2 February 1987) about the route of the proposed A149 Dersingham bypass through the Dersingham bog (a site of special scientific interest). On 17 March 1987, the director of the Nature Conservancy Council wrote to the Department stressing the conservation importance of the site and the impact on it of road construction and stating his belief that less damage would be caused if a more north-easterly route which did not traverse the bog could be substituted for that approved by Norfolk county council on 19 February 1987. The Department also received a copy of the letter of 19 April 1988 sent by the Nature Conservancy Council to Norfolk county council and letters sent by it on 11 and 12 February 1988 to the Department of Transport setting out its objections to the compulsory purchase and side roads orders relating to the proposed bypass.

Basildon (House Sales)

33. **Mr. Amess:** To ask the Secretary of State for the Environment what information he has as to the total number of council and new town commission houses sold in Basildon since 1979.

Mrs. Roe: From April 1979 to December 1987, 1,655 local authority dwellings and 5,754 new town commission dwellings were sold.

Private Estate Development

34. **Mr. Dykes:** To ask the Secretary of State for the Environment if he has any plans to give guidance to outer London local planning authorities about the case for modernising their local density and structure plans to take account of the latest trends in private estate development; and if he will make a statement.

Mr. Waldegrave: The density of new development is a matter for the borough to decide in the light of local circumstances and taking account of any general guidance. We will consider whether any new general advice on density policies would be appropriate in the Secretary of State's strategic guidance to be issued early next year. The guidance will take account of the advice to be put forward by the London planning advisory committee.

Acid Rain

36. **Mrs. Ann Taylor:** To ask the Secretary of State for the Environment what was the relative degree of acidity of the rain which fell on 27 April; and if he will make a statement.

Mr. Moynihan: The acidity of rainfall on 27 April measured by the national acid rain monitoring network (operated by Warren Spring laboratory on behalf of my Department) ranged from pH 3.33 in East Anglia to pH 5.86 in Northern Ireland. Data for 1986 show that an event as acid as that measured at East Anglia occurred only once in that year. As on this occasion events of high acidity typically follow dry spells.

Housing Defects Act

37. **Mr Illsley:** To ask the Secretary of State for the Environment whether there are any proposals to include any further category of dwelling within the provisions of the Housing Defects Act.

Mrs. Roe: I refer the hon. Gentleman to the reply which I gave to the hon. Member for Bradford, West (Mr. Madden) on 20 April at column *490*. In addition, we have received local designations in respect of certain properties in Taunton Deane and Wolverhampton, and are currently considering whether these should come into operation.

Chlorofluorocarbons

38. **Mr. Alan W. Williams:** To ask the Secretary of State for the Environment what assessment he has made of the reduction in world consumption of chlorofluorocarbons which would be sufficient to prevent further damage to the ozone layer.

Mr. Moynihan: The Montreal protocol requires global consumption of certain chlorofluorocarbons to be halved before the end of the century. When the protocol was signed last September there was scientific consensus that this, together with a freeze on consumption on halons, should be sufficient to prevent significant depletion of the ozone layer. There are provisions for regular review and should new scientific evidence point to the need for stricter measures the protocol can be amended.

46. **Mr. Fearn:** To ask the Secretary of State for the Environment if he will make a further statement on his policy concerning the control of production of ozone-depleting chlorofluorocarbons.

Mr. Moynihan: I refer to the answer I gave to the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) on 31 March at column *720*.

House building

39. **Mr. Nicholas Baker:** To ask the Secretary of State for the Environment if he will bring forward proposals for a new planning circular relating to house building.

Mr. Waldegrave: Advice on planning issues relating to the supply of land for housing was recently consolidated and restated in planning policy guidance note 3. We intend to consult shortly on a new draft circular stressing the importance of up-to-date local plans as a basis for sound planning decisions.

Mr. Roy Hughes: To ask the Secretary of State for the Environment how many houses in England were built before 1919.

Mrs. Roe: It is estimated that in December 1986 5·2 million of the dwellings in England had been built before 1919.

Overdevelopment

40. **Mr. Tim Smith:** To ask the Secretary of State for the Environment what guidance is given to local authorities on overdevelopment; and if he will make a statement.

Mr. Waldegrave: County structure plans may give general guidance on densities. It is for district planning authorities to decide what detailed policies on density it is desirable to include in their local plans. Such policies should help authorities in dealing with individual applications. Planning policy guidance note No. 3 ("Land for Housing") emphasises that schemes should be well integrated with the existing pattern of settlement and surrounding land uses and that new housing in towns and villages should be sympathetic in scale and character. Planning policy guidance note No. 7 ("Rural Enterprise and Development") re-emphasises the scope for better layouts, more landscaping and lower densities.

Low-cost Rented Accommodation

41. **Ms. Primarolo:** To ask the Secretary of State for the Environment whether he has any proposals to increase the supply of low-cost rented accommodation for skilled and semi-skilled workers in south-east England.

Mrs. Roe: An overall increase in the supply of rented accommodation is the central objective of our proposals in the Housing Bill. This will increase job mobility.

For 1988-89 we have provided an additional £50 million for Housing Corporation support for housing association schemes for rent and for sale and plan further increases to take the total programme to £850 million by 1990-91. Some 45 per cent. of the corporation's rented programmes are allocated to London and the home counties and the proposals in the Housing Bill will help housing associations attract private finance to provide more homes for rent within the reach of low income groups.

The Local Government Act 1988 includes an explicit power for local authorities to assist in the provision of privately let accommodation, subject to my right hon. Friend's consent. This power could be used to help provide accommodation such as that described by the hon. Member.

Development Corporations (Finance)

42. **Mr. Robert G. Hughes:** To ask the Secretary of State for the Environment how much private money has been attracted to the London Docklands development corporation and Merseyside development corporation as a result of the public finance given them.

Mr. Trippier: I refer my hon. Friend to the answers I gave earlier today to my hon. Friends the Members for Birmingham, Yardley (Mr. Bevan) and for South Hams (Mr. Steen) today.

Nuclear Waste

43. **Mrs. Michie:** To ask the Secretary of State for the Environment how many local authorities have adopted a policy of opposing the location of a nuclear waste repository in their area.

Mr. Moynihan: We understand a number of local authorities have responsed to UK Nirex Ltd., expressing their views on the options for a radioactive waste repository outlined in the discussion document "The Way Forward." It will not be known how many are opposed to the location of a repository in their area until after the consultation exercise finishes at the end of May, and until the responses have been analysed by Nirex.

Homelessness

44. **Mr. Fraser:** To ask the Secretary of State for the Environment what are the latest figures for homelessness in *(a)* England and *(b)* Wales.

Mrs. Roe: The number of households accepted as homeless by English local authorities appears in table 1 of "Local authorities' action under the homelessness provisions of the 1985 Housing Act: England—Statistics for the fourth quarter of 1987", which is available in the Library. For Welsh figures I refer the hon. Member to my right hon. Friend the Secretary of State for Wales.

55. **Mr. Livsey:** To ask the Secretary of State for the Environment what measures he intends to take to combat the problem of homelessness in rural areas.

Mrs. Roe: The measures in the housing White Paper will increase housing choice generally, including that available in rural areas. We have already announced that the Housing Corporation will aim to double the present level of provision by housing associations in rural areas. After discussion with representatives of rural communities we are considering further action that may be needed.

68. **Mr. Caborn:** To ask the Secretary of State for the Environment whether his Department will publish monthly figures of homelessness in England and Wales.

Mrs. Roe: The information received on local authorities' action under the homelessness provisions of the Housing Act 1985 is provided by English local authorities in quarterly returns: it is not proposed to change the frequency of reporting.

Ms. Mowlam: To ask the Secretary of State for the Environment if he will provide figures for each year between 1979 and 1988 for the estimated number of people homeless in *(a)* the United Kingdom, *(b)* Dorset and *(c)* Bournemouth.

Mrs. Roe: The numbers of households for whom Bournemouth and the other local authorities in Dorset reported accepting responsibility for securing accommodation in the years 1981 to 1986, appear in a table placed in the Library in May 1987. Information for the years 1979 and 1980 is available in "Local Housing Statistics" issues No. 54 (table 14), No. 59 (table 9) and No. 62 (table 13) which are also in the Library.

Total acceptances reported by the authorities in Dorset for 1987 are 845, of which Bournemouth reported 217. Christchurch has not provided returns for the first and fourth quarters and Wimborne made no returns.

Acceptances by all English authorities including estimates for missing returns, are as follows:

	Acceptances
1979	53,110
1980	57,200
1981	62,920
1982	70,010
1983	74,800
1984	78,240
1985	83,550
1986	94,530
1987	105,280

A new reporting system was introduced for non-metropolitan districts from the fourth quarter 1980 and for the other authorities from the third quarter 1982, so that figures are not strictly comparable over the whole period.

For corresponding information for Scotland and Wales, I refer the hon. Member to the respective Secretary of State.

Rotten Row

45. **Mr. Harry Greenway:** To ask the Secretary of State for the Environment if he will seek to extend Rotten row, Hyde park, over the full perimeter of that park; and if he will make a statement.

Mr. Colin Moynihan: We have no plans to extend Rotten row. The idea has been considered from time to time but ruled out on the grounds of high costs for the limited use that would be made of it.

Construction Output

47. **Mr. David Evans:** To ask the Secretary of State for the Environment what are the most recent set of construction output figures; and if he will make a statement.

Mr. Trippier: Provisional figures of construction output in Great Britain in 1987, in constant 1980 prices, are as follows:

Type of work	*£ million*
New housing	
(i) Public sector	700
(ii) Private sector	3,660
Other new work	
(i) Public sector	3,240
(ii) Private Industrial	2,740
(iii) Private Commercial	4,570
All new work	14,910
Housing repair and maintenance	5,200
Other public sector repair and maintenance	2,510
Other private sector repair and maintenance	1,950
All repair and maintenance	9,660
All work	24,560

Total output in 1987 was at its highest level since 1973, and there have now been six successive years of growth. Almost two thirds of the 1987 output was accounted for by work for private sector clients. The volume of output in the private commercial sector reached a new record level in 1987, while private sector housing output was at its highest level since 1973. The continuing high level of new orders placed in recent months supports the generally held view that there is likely to be further growth in construction output in 1988.

National Rivers Authority

49. **Mr. O'Brien:** To ask the Secretary of State for the Environment what procedures he has proposed for regional water authorities to discuss with consumer consultative committees the introduction of the National Rivers Authority; and if he will make a statement.

Mr. Moynihan: Consultations with their consumer consultative committees is a matter for the water authorities themselves. Several of the committees responded to the consultation paper on the National Rivers Authority which we published last July.

Rating Reform

50. **Mr. Matthew Taylor:** To ask the Secretary of State for the Environment what is the Government's projection of likely poll tax rates in the Carrick district council and Restormel borough council areas, on the basis of the 1988-89 rates year.

Mr. Howard: I hope to publish illustrative community charges for each local authority area shortly.

Mr. Patnick: To ask the Secretary of State for the Environment what guidance his Department intends to provide to local authorities about the implementation of the community charge.

Mr. Howard: In November 1987 the Department of the Environment set up an implementation sub-group of the community charge working group to discuss issues arising from the implementation of the community charge. The group comprises officials of the Department of the Environment, the Department of Health and Social Security and the Welsh Office, the Association of Metropolitan Authorities, the Association of District Councils, the Association of County Councils, the London Boroughs Association and the Association of London Authorities.

One of the group's remits is to provide advice to local authority practitioners about matters such as registration for, billing, collection and recovery of the community charge and community charge benefits. It is proposed to do this by means of a series of practice notes covering all aspects of implementation. The first of these notes, entitled "An Introduction to the Community Charge", is being published today and will be sent to local authorities and those other interested bodies who have asked to receive copies. Copies have also been placed in the Libraries of the House.

Lorry Parks

51. **Mr. Butler:** To ask the Secretary of State for the Environment if he will give guidance to local authorities regarding the handling of planning applications for lorry parks in green belt land.

Mr. Waldegrave: Advice on the handling of all types of planning applications in the green belt is given in my Department's planning policy guidance note 2. A copy is in the Library. In green belt there is a general presumption against development, except for a narrow range of uses which are appropriate to such areas.

Local Authority Property Estates

52. **Mr. Heddle:** To ask the Secretary of State for the Environment what proposals he has to implement the Audit Commission's recommendations on the management of local authority property estates.

Mr. Trippier: Implementation of the Audit Commission's recommendations is primarily a matter for individual local authorities and their auditors. My Department will, however, be monitoring progress closely in consultation with the commission and the local authority associations.

Housing Starts, Leicester

53. **Mr. Janner:** To ask the Secretary of State for the Environment what information he has as to how many housing starts there were in the public sector in the city of Leicester in the years 1977 and 1987, respectively.

Mrs. Roe: Reported public sector housebuilding starts are published in the quarterly "Local Housing Statistics", which is available in the Library. The figures for 1977 appear in issue 45; in 1987, six starts for housing associations were reported in Leicester.

County Councils

54. **Mr. Holt:** To ask the Secretary of State for the Environment what representations he has received seeking legislation to reorganise local government by abolishing county councils; what response he has made; and if he will make a statement.

Mr. Chope: Representations have been received from two associations (the Association of District Councils and the Society of Local Authority Chief Executives), two local authorities, and three members of the public. We said that we have no plans for change; our priorities are to ensure the efficient and economical functioning of local government and its accountability to the public.

Regional Assistance

56. **Mr. Devlin:** To ask the Secretary of State for the Environment how much financial assistance has been given to the inner city areas under the urban regeneration and urban development schemes in the last six months.

Mr. Trippier: I refer my hon. Friend to the answer I have today given to my hon. Friend the Member for Wolverhampton, North-East (Mrs. Hicks).

Council Houses

57. **Mr. Flannery:** To ask the Secretary of State for the Environment how many council houses have been built in each year since 1979.

Mrs. Roe: The English local authorities' figures for 1979 to 1986 are given in table 6.1(a) of the annual "Housing and Construction Statistics 1976-1986" and for 1987 in table 1.2(a) of the quarterly "Housing and Construction Statistics Part 1" No. 32; copies of these publications are available in the Library.

Home Improvement Grants

58. **Mr. Boateng:** To ask the Secretary of State for the Environment whether he has developed any new proposals concerning home improvement grants.

Mrs. Roe: I refer the hon. Member to the consultation paper on home improvement policy issued by my Department on 5 November 1987, a copy of which was placed in the Library of the House.

Local Government Finance Bill

60. **Mr. Knox:** To ask the Secretary of State for the Environment how many people and how many organisations have now made representations to him in favour of the Local Government Finance Bill.

35. **Mr. Roy Hughes:** To ask the Secretary of State for the Environment how many organisations have now made representations to him concerning the introduction of the community charge in England and Wales.

48. **Mr. Kirkwood:** To ask the Secretary of State for the Environment what representations he has received on the proposed unified business rate.

Mr. Howard: A summary of the 1,271 responses received by 31 October 1986, when the consultation period on the Green Paper ended, was placed in the Library on 15 December 1986. Since June 1987, my Department has

received some 9,300 letters, the majority of which are from private individuals. The letters contain a variety of comments on specific aspects of our proposals, or requests for further information, and for this reason do not readily lend themselves to an analysis of correspondents' views.

Housebuilding (Rural Areas)

Mr. Barron: To ask the Secretary of State for the Environment what is his policy towards the level of housebuilding in rural areas; and if he will make a statement on proposed changes to home county structure plans providing for the release of additional land.

Mrs. Roe: Provision for housebuilding in rural and other areas is made in structure and local plans, taking into account the likely overall need for housing and the suitability of the proposed ways of meeting those needs. My right hon. Friend has invited Serplan (the South East Regional Planning Conference) to consider the new projections of population and household formation over the next decade and to discuss with him its implications for housing and land supply in the south-east.

Juvenile Crime

Mr. Favell: To ask the Secretary of State for the Environment if he will make a statement on his latest plans to develop measures within the areas of his responsibility in order to combat juvenile crime.

Mr. Trippier: The Department is funding a number of projects under the urban programme which help to combat juvenile crime. These include workshop training schemes for offenders and ex-offenders, probation day centres, disruptive pupil projects, day centres for unemployed ex-offenders and hostels for ex-offenders. The Department is also funding under the urban programme projects providing facilities for sport, recreation and play which help to develop social and other skills as well as reducing vandalism and juvenile crime.

Ozone Layer

Ms. Quin: To ask the Secretary of State for the Environment when he last met his European Economic Community counterparts to discuss measures to protect the ozone layer; and what was the outcome of the discussions.

Mr. Moynihan: I refer to the answer I gave to my hon. Friend the Member for Sheffield, Hallam (Mr. Patnick) on 24 March at columns *186-87*.

Water Supplies (Nitrate Content)

Mr. Teddy Taylor: To ask the Secretary of State for the Environment what discussions he has had with water authorities about the cost of bringing all public water supplies within the 50mg limit of nitrate contents; and if he will make a statement.

Mr. Moynihan: Water undertakers have been asked to assess the cost of reducing nitrate concentrations in drinking water below 50mg per litre, and these assessments are now awaited.

Local Authority Services (Tendering)

65. **Mr. David Nicholson:** To ask the Secretary of State for the Environment if he will make a statement on progress towards the implementation by local authorities of competitive tendering for local authority services.

Mr. Chope: With the exception of parish councils—which are being consulted separately—all English local authorities have been informed of my right hon. Friend's decisions on the latest dates by which they must expose their services to competition under the Local Government Act 1988, I welcome the fact that a significant number are seeking tenders earlier than these dates, as this will hasten the delivery of cost savings to ratepayers.

Merseyside Development Corporation

66. **Mr. Steen:** To ask the Secretary of State for the Environment how much private funding he estimates to have been levered in as a result of public funding of the Merseyside Development Corporation.

Mr. Trippier: Since its inception in 1981 Merseyside development corporation has secured private sector investment totalling £64 million.

Planning Applications

67. **Mr. Chapman:** To ask the Secretary of State for the Environment if he has any plans to seek to extend the powers of local planning authorities to refuse applications which are out of scale and character with existing developments in residential areas.

Mr. Waldegrave: Questions of scale and character are material considerations which planning authorities are entitled to take into account in considering applications for development in residential areas. Authorities can also incorporate density policies in local plans where they consider it appropriate to do so. Where they have such policies, they should generally be able to implement them through development control, provided that individual decisions are supported by adequate reasons.

London Bridge City

69. **Mr. Pawsey:** To ask the Secretary of State for the Environment what representations he has received concerning his decision to call in the planning application which relates to phase II of London Bridge city.

Mr. Waldegrave: My Department received two representations in respect of the called in applications. These representations were concerned principally with the height, bulk, massing and design of the proposed development and the demolition of the listed building on the site.

Micro-organisms (Release)

71. **Mr. Lofthouse:** To ask the Secretary of State for the Environment if he will make it his policy to require public hearings and independent scientific review for each proposed environmental release of genetically engineered micro-organisms in the United Kingdom

74. **Mr. McCartney:** To ask the Secretary of State for the Environment if he has any plans to change United

Kingdom regulatory provisions for the control of the release of genetically engineered micro-organisms to the environment.

Mr. Moynihan: The Royal Commission on environmental pollution is currently reviewing the area of release of genetically engineered organisms and expects to report by early next year. The Government will be considering what changes, if any, are required to existing arrangements in the light of this advice. In the meantime the Health and Safety Executive has published a consultative paper on the review of the Health and Safety at Work (Genetic Manipulation) Regulations 1978 which proposes the compulsory notification to the Health and Safety Executive of planned releases to the environment.

Ramsar Sites

72. **Mr. Buckley:** To ask the Secretary of State for the Environment if he will list those areas which have been notified to his Department by the Nature Conservancy Council for designation as Ramsar sites or special protection areas, indicating the date on which each completed proposal was forwarded by the Nature Conservancy Council.

Mr. Moynihan: We are currently considering NCC proposals for the classification of eight sites as special protection areas and/or Ramsar sites. Details are as follows:

Site	*Date of submission*
1. Orwell/Stour Estuaries	16 January 1986
2. Medway Estuary	1 April 1986
3. Bury Inlet	11 September 1986 (Ramsar) 28 January 1988 (SPA)
4. Mersey Estuary	25 November 1985
5. Benfleet and Southfleet Marshes	27 May 1987
6. North Norfolk Coast	18 November 1987
7. Llyn Idwal	6 May 1987
8. Llyn Tegid	22 April 1987

European Football

73. **Mr. John Carlisle:** To ask the Secretary of State for the Environment what discussions have taken place between Her Majesty's Government and the football authorities in Europe concerning the readmittance of English clubs to European competitions.

Mr. Moynihan: I met the president of UEFA on Saturday 14 May together with the chairman of the Football Association and the president of the Football League.

It was agreed that the decision on the readmittance of English clubs was for UEFA and that it would take it in the light of my report of the domestic season and events during the European championships finals.

Nitrogen Dioxide Levels (London)

75. **Ms. Gordon:** To ask the Secretary of State for the Environment whether nitrogen dioxide levels in central London exceeded World Health Organisation and European Economic Community guidelines in November 1987; and what has been the trend in nitrogen dioxide levels in central London over the last decade.

Mr. Moynihan: The World Health Organisation's recommended guidelines for hourly and daily nitrogen dioxide levels, given in the WHO regional publication "Air Quality Guidelines for Europe", European Series No. 23, were exceeded in central London on 29 and 30 November 1987. The Department has asked the Warren Spring laboratory to examine its records of nitrogen dioxide levels in central London over the last decade. The laboratory reports a slight downward trend in annual means but no discernible trend in peak values.

The European Community directive (85/203/EEC) gives guidelines, expressed not in monthly terms but in terms of the calender year, and results in any individual month cannot be compared with them.

House Price Inflation

76. **Mr. Nellist:** To ask the Secretary of State for the Environment if he has any proposals to combat house price inflation.

Mrs. Roe: I refer the hon. Member to the reply I gave to the hon. Member for Edinburgh, Central (Mr. Darling) on 4 November at column *736*.

Land Use Survey

77. **Sir Geoffrey Johnson Smith:** To ask the Secretary of State for the Environment if he will establish a national land use survey to determine what land is available for housing and other purposes.

Mr. Waldegrave: My right hon. Friend has no plans to establish a national land use survey. My Department already monitors and publishes information from the Ordnance Survey on land use changes at national and regional level. Over the last two years 46 per cent. of land developed for housing came from previously developed sites or vacant land within urban areas. To help in preparing and monitoring structure plans, local authorities and housebuilders are strongly encouraged to prepare joint studies of housing land availability in each county.

Thamesmead Estate

Mr. Soley: To ask the Secretary of State for the Environment (1) what was the total debt outstanding on the Thamesmead estate after its sale by the London residuary body; and when and to whom he anticipates the debt will be repaid;

(2) which company approached his Department to reduce the price following the valuation of Thamesmead estate for the London residuary body by chartered accountants; and what adjustment was made;

(3) when the valuation was made of Thamesmead estate by the chartered accountants; and what value was assigned;

(4) what price per house was paid for the Thamesmead estate to the London residuary body;

(5) to which company the Thamesmead estate was sold by the London residuary body; and what was the price paid;

(6) what is *(a)* the total rent income on the Thamesmead estate and *(b)* the total service charge income; and how much of this will be used to pay the outstanding capital debt owed to the former Greater London council.

Mr. Chope: Accountants were employed by the Government to produce a business plan (not a valuation)

which would enable terms to be set for the disposal of the Thamesmead estate to Thamesmead Town Ltd. which would maximise the return to London boroughs while enabling the company to remain viable. For the terms of the sale, I refer the hon. Member to the answer given by my hon. Friend the Minister for Housing and Planning to the Member for Erith and Crayford (Mr. Evennett) on 20 July 1987, *Official Report*, column *106*. Particulars of rent and service charge income can be obtained from the company. The debt outstanding on abolition of the GLC was £138·8 million which was included in the total of debt for which servicing arrangements by the London boroughs, pro rata to population, were made in the Local Government Reorganisation (Repayment of Loans) (Greater London) Order 1986 (SI 1986/439). The boroughs have however been relieved of an onerous burden and they will receive a share of lettings and of receipts from sales of housing.

Rights of Way

Mr. Nicholas Baker: To ask the Secretary of State for the Environment what steps he takes to ensure that claims for the addition of rights of way to the definitive maps are considered in their historic, geographical and social context and against the background of any old map or other evidence available.

Mr. Moynihan: The role of my right hon. Friend in relation to the addition of rights of way to definitive maps is confined to the determination of opposed orders made by surveying authorities, and appeals against the refusal of applications for such an order. In exercising those responsibilities he is obliged to take into consideration all evidence submitted by the parties insofar as it relates to the existence of the alleged right of way.

Established Use Certificates

Mr. Heddle: To ask the Secretary of State for the Environment if he has any plans to review the established use certificate procedure.

Mr. Waldegrave: In the recent report of an efficiency scrutiny of planning enforcement notice appeals, the repeal of the provisions (in section 94 of the Town and Country Planning Act 1971) for issuing established use certificates, after a prior notice period of two years, is recommended. The report of the efficiency scrutiny, and my Department's action plan in response to it, are about to be published. This recommendation requires further study, and we shall consult interested organisations and professional bodies about the recommendation and its likely consequences.

Tenancies

Mr. David Nicholson: To ask the Secretary of State for the Environment how soon after Royal Assent he intends to commence the implementation of *(a)* the assured tenancy and *(b)* the assured shorthold tenancy provisions of the Housing Bill.

Mr. Waldegrave: Under clause 115(3) of the Bill these provisions will come into force two months after Royal Assent.

Water Supply

Ms. Ruddock: To ask the Secretary of State for the Environment if he will bring forward a code of guidance on water disconnections for the water industry to take account of the new social security legislation.

Mr. Moynihan: The water industry has successfully operated a voluntary code of practice on disconnections for some years. I understand that it intends shortly to publish a revised code, reflecting the recent changes in the social security system.

Water Consumption

Mr. Summerson: To ask the Secretary of State for the Environment what the estimated consumption of water was in *(a)* the United Kingdom and *(b)* Greater London in each of 1958, 1968 and 1978; and what it will be in 1988.

Mr. Moynihan: The estimated quantities of water supplied are as follows:

Average per day in megalitres

Year	*Quantity*
United Kingdom	
1958	11,750
1968	15,300
1978	18,050
1988	[1]19,900
Greater London	
1958	1,492
1968	1,687
1978	1,918
1988	[1]2,180

[1] Predicted.

Inner Area Programme

Ms. Ruddock: To ask the Secretary of State for the Environment if he will list schemes covering recycling and energy conservation funded by the inner area programme in 1986-87, 1987-88 and 1988-89; and if he will make a statement regarding the funding of these specific schemes.

Mr. Trippier: A number of schemes to improve energy conservation and to assist the recycling of waste products have been funded by my Department under the urban programme. There are no plans to alter the way applications for funding of such projects are dealt with under the urban programme. I will today be placing in the Library copies of lists for such projects funded in 1986-87 and 1987-88. Similar information for expected funding in 1988-89 is not yet available.

Rent Acts

Mr. Callaghan: To ask the Secretary of State for the Environment how many private properties there are for rent outside the control of the Rent Acts in London.

Mr. Ridley: The information is not available.

Rating Reform

Mr. Warren: To ask the Secretary of State for the Environment if his Department is making arrangements to assist county and district councils in the introduction of the community charge by the preparation of a standard

computer software package, and if his Department will take action to co-ordinate the use of councils' existing hardware systems to reduce the cost of the introduction of the community charge; and if he will make a statement.

Mr. Howard: It is for authorities to decide on the computer software they need to administer the community charge. My Department will be issuing practice notes on the community charge which will provide charging authorities and the computing industry with the details they need to design the software required. In addition, the independent firm of Price Waterhouse will be providing a summary of best practices which, if followed by local authorities, should help to reduce their costs.

Fish Disease

Dr. Cunningham: To ask the Secretary of State for the Environment when the Southern water authority carried out its investigation into fish disease at the Weir Wood reservoir; what were its conclusions; and if he will arrange for a copy of the report to be placed in the Library.

Mr. Ridley *[holding answer 16 May 1988]:* I am aware of the matters giving rise to the hon. Gentleman's question. These are being looked into. I will write to him as soon as I can.

Waste Dumping (Bristol Channel)

Mr. Speller: To ask the Secretary of State for the Environment how many outlets of raw sewage are at present being deposited in the Bristol channel; how often they are monitored; by whom they are monitored; and when any of these outfalls will be extinguished.

Mr. Moynihan *[holding answer 16 May 1988]:* Such information is not held centrally. Water authorities are generally responsible for monitoring and the public registers which they are required to maintain contain details of authorised discharges including details of monitoring results. Increasingly, sewage receives treatment before being discharged to estuaries and coastal waters. A major national programme of schemes for improving bathing waters is under way to replace existing unsatisfactory short outfalls.

Mr. Speller: To ask the Secretary of State for the Environment in how many places in the Bristol channel the dumping of raw sewage, sewage sludge, industrial waste, industrial spoil, nuclear waste of other abnormal deposits has been authorised by his Department, directly or in liaison with other Departments.

Mr. Moynihan *[holding answer 16 May 1988]:* No dumping at sea of solid nuclear waste takes place. The Department keeps no records of the locations where any of the other wastes referred to might be dumped in the Bristol channel. Authorisations for the deposit of wastes at sea are given by the Ministry of Agriculture, Fisheries and Food under part II of the Food and Environment Protection Act 1985. I have replied separately on the discharge of liquids to the Bristol channel.

Mr. Speller: To ask the Secretary of State for the Environment what quantities of low level or other nuclear waste are being discharged into the Bristol channel; what is the specification of low level waste; what were the last two dates on which these discharges were monitored; and what were the results.

Mr. Moynihan *[holding answer 16 May 1988]:* Details of radioactive liquid discharges from nuclear sites are set out in the annual report of the Paris Commission. The latest (November 1987) edition of the report has been placed in the Library of the House. The limits for low-level radioactive waste discharges to the Bristol channel are specified in certificates of authorisation issued under the Radioactive Substances Act 1960. All liquid radioactive wastes are monitored prior to discharge. The results are summarised in the annual report of the Paris Commission.

Public Sector (Private Investment)

Dr. Cunningham: To ask the Secretary of State for the Environment if he will publish in the *Official Report (a)* the Ryrie rules of 1981 and *(b)* his recent note to the National Economic Development Council, on the scoring of private investment in the public sector; and if he will make a statement on their applicability to capital investment involving joint ventures between local authorities and the private sector.

Mr. Ridley *[holding answer 17 March 1988]:* My right hon. Friend the Chancellor of the Exchequer placed in the Library of the House in February copies of the paper entitled "Private Finance in Public Expenditure" which was prepared by the Treasury for the civil engineering economic development council and which includes the so-called Ryrie rules as an appendix. The principles set out in that paper relate to the use of private finance in the public sector generally, including local authorities.

SOCIAL SERVICES

Nitrogen Dioxide Levels (Leicester)

79. **Mr. Vaz:** To ask the Secretary of State for Social Services what research has been carried out, or is being carried out, concerning the effects of nitrogen dioxide on the health of children at levels currently being experienced in Leicester.

Mrs. Currie: We are not aware of any research projects in Leicester. Health effects were extensively reviewed when the limit value for the EC air quality directive for nitrogen dioxide (85/203/EEC) was set, and when the recently published World Health Organisation guidelines were drawn up. Measurements of nitrogen dioxide commissioned by the Department of the Environment indicated that Leicester was unlikely to breach the directive limit value or exceed the WHO guideline. Adverse health effects for even particularly sensitive children or adults are most unlikely, even at the limit value or guideline levels.

Woolwich Office

Mr. Cartwright: To ask the Secretary of State for Social Services what staffing level was designated for his Department's Woolwich office in the years 1986-87, 1987-88 and 1988-89; how many staff were actually in post on 1 May in each year; and what has been the alteration in work load over the same period.

Mr. Portillo: The information requested is as follows:

	Number
Complement 1986-87	237
Complement 1987-88	279

	Number
Complement 1988-89	247
Staff in post 1 May 1986	221
Staff in post 1 May 1987	236·5
Staff in post 1 May 1988	254·5

Comparable figures are not available for the full range of contributory benefits. The 1987 work load figures are provisional and subject to amendment.

Direct comparisons between the numbers of staff and the live load are misleading as work loads vary considerably by type and duration of claim and the action that has to be taken. All these factors vary over time as a result of legislative, policy and procedural changes.

Child Benefit

Mr. Beith: To ask the Secretary of State for Social Services why the letter recently issued to all child benefit recipients inviting them to receive their benefits through a bank lists the advantages, but not the disadvantages, of doing so.

Mr. Scott: Child benefit recipients are sometimes initially concerned about when payment will start, notification of how much has been paid and what happens if the wrong amount is paid. These matters are explained at items 2, 3 and 4 on page 2 of the letter which also makes it quite clear that beneficiaries may continue to receive their benefit by order book if they prefer.

Benefits (Homeless Claimants)

Mr. Jim Marshall: To ask the Secretary of State for Social Services what information he has as to the effect on the income to charitable and voluntary organisations, which assist the homeless, of benefit payments being paid in arrears rather than in advance; and if he will make a statement.

Mr. Portillo: The national figures on the benefit income are not held centrally and could be obtained only at disproportionate cost. However, we are considering representations from a small number of such organisations on the effects of these new arrangements.

Mr. Jim Marshall: To ask the Secretary of State for Social Services if he will consider making special arrangements to monitor the level of payments in respect of homeless people made directly from his Department to charitable and voluntary organisations assisting the homeless and if he will make a statement.

Mr. Portillo: Information on direct payments to landlords is collected centrally, but it is not possible to identify separately those made to voluntary organisations and charities.

Mr. Jim Marshall: To ask the Secretary of State for Social Services what level of payments were made by his Department's local office at Leicester, Norton street, in respect of homeless people to the Leicester night shelter project in April 1987 and in April 1988.

The latest case load counts, based on a 100 per cent. count of all cases in action, and the corresponding figures for previous years are as follows:

	17 December 1985	16 December 1986	17 November 1987
Supplementary benefits live load	18,315	19,136	19,028
Short-term benefits live load	1,898	2,267	2,175

Mr. Portillo: For the period 30 March 1987 to 26 April 1987, £7,316·55 was paid in respect of accommodation charges for people staying in the Leicester night shelter. For the period 28 March 1988 to 26 April 1988, £5,120·70 was paid directly to the night shelter in respect of accommodation charges.

Mr. Jim Marshall: To ask the Secretary of State for Social Services (1) if he will consider extending the list of priority groups included within the social fund guidance to include all homeless people, with a view to enabling homeless claimants to be considered for crisis loans to pay charges for accommodation in advance of moving into such accommodation; and if he will make a statement;

(2) if he will consider making special arrangements for the payment of benefit to homeless people and people staying in hostels and board and lodging accommodation generally to enable them to receive payment in advance, rather than in arrears as prescribed in the new regulations introduced on 11 April; and if he will make a statement.

Mr. Portillo: Applicants for social fund crisis loans are not categorised on the basis of priority groups. Crisis loans may be considered for rent in advance to a private landlord or to secure board and lodging accommodation in the light of the directions and guidance covered in the social fund manual. We have no plans to make payments of income support in advance to these groups.

Mr. Jim Marshall: To ask the Secretary of State for Social Services if he will consider extending the practice of making payments in respect of hotel and board and lodging accommodation by means of vouchers payable directly to the providers of such accommodation, rather than to claimants; and if he will make a statement.

Mr. Portillo: Payments to a third party, including payments made by voucher, may be made if this is in the claimant's best interest, for example where there is evidence that he is unable to manage his finances. There are no plans to extend these arrangements in respect of other claimants.

Low-income Families

Mr. Robin Cook: To ask the Secretary of State for Social Services if he will now publish the low-income families table derived from the family expenditure survey for 1985.

Mr. Portillo: I refer the hon. Member to my reply to my hon. Friend the Member for Hornchurch (Mr. Squire) on 25 April at column *28*.

Mobility Allowance Savings Scheme

Mr. Alfred Morris: To ask the Secretary of State for Social Services how long the mobility allowance savings scheme set up by the mobility allowance unit has been established; how it was publicised; how many mobility allowance recipients are using the scheme; at what rate savings attract interest; and if he will make a statement.

Mr. Scott: The Department does not run a savings scheme for mobility allowance recipients.

Cervical Cancer Screening

Mr. Morley: To ask the Secretary of State for Social Services what assessment he has made of the number of extra staff needed to implement a full cervical cancer call and recall system in every district health authority.

Mrs. Currie: Computerised call and recall systems for cervical screening are now operational in every district health authority in England. Much of the work of taking smear tests will be carried out by general practitioners and their staff. The number of any additional staff needed for the screening programme will vary from district to district according to local circumstances. It is a matter for individual health authorities and family practitioner committees to make their own assessment and to ensure that an adequate number of staff is allocated to the programme.

Mr. Morley: To ask the Secretary of State for Social Services what has been the backlog in the laboratory examination of cervical cancer smears in Scunthorpe district health authority in each year from 1980.

Mrs Currie: The Department has collected such information centrally only since October 1987. The latest month's return from the Scunthorpe district health authority shows an average reported processing time for cervical smear tests of eight weeks. Departmental guidance states that laboratories should aim to return results to the doctor concerned within one month. I understand the health authority plans to recruit more staff in order to meet that target. The hon. Member may wish to contact the chairman of Scunthorpe health district to ascertain whether information relating to earlier years is available locally.

Heart and Lung Disease

Dr. Moonie: To ask the Secretary of State for Social Services what percentage of the total population in England and Wales suffered from *(a)* heart disease and *(b)* lung disease in the latest three years for which figures are available.

Mrs. Currie: Data on the total number of people suffering from various stages of heart disease and lung disease are not available.

The nearest available statistics can be found in the most recent "Morbidity Statistics from General Practice" (Third National Study, HMSO 1986), a study of the experiences of 48 general practices, carried out between 1 July 1981 and 30 June 1982. Data relating to hospital records for England only can be found in the "Hospital In-patient Enquiry", for which the latest data year is 1985. Copies of both these publications have been placed in the Library.

Abortion

Mr. Campbell-Savours: To ask the Secretary of State for Social Services (1) pursuant to his reply of 10 May, *Official Report*, column *91*, how many of the five abortions performed in 1986 under ground 4 in West Cumbria were carried out at or before *(a)* 18 weeks, *(b)* 20 weeks, *(c)* 22 weeks, *(d)* 24 weeks or *(e)* after 24 weeks;

(2) pursuant to his reply of 10 May, *Official Report*, column *91*, how many of the 222 abortions performed in 1986 in West Cumbria under all grounds other than ground 4 or ground 5 were carried out at or before *(a)* 18 weeks, *(b)* 20 weeks, *(c)* 22 weeks, *(d)* 24 weeks, and *(e)* after 24.

Mr. Newton: Of the 222 abortions performed in 1986 to usual residents of West Cumbria district health authority under all grounds other than ground 4, 221 were carried out at or before 18 weeks' gestation, and 1 at 19 weeks or more gestation.

Further information on the gestation of this latter abortion, and of the five performed under ground 4 cannot be released for reasons of confidentiality.

Nursing Aids

Mr. David Nicholson: To ask the Secretary of State for Social Services if he will take steps to extend to patients in private nursing homes the responsibility currently exercised by health authorities for supplying nursing aids free to patients in their own homes or in residential homes; and if he will make a statement.

Mr. Newton: We have no plans to extend to people in private nursing homes the discretionary arrangements under which health authorities supply nursing aids, free of charge, for people living in their own homes or in residential homes. Private nursing homes generally set their fees at a level which will cover the costs of any nursing aids they may need to provide.

Benefits (Appeals)

Mr. Tony Lloyd: To ask the Secretary of State for Social Services if he will give the average time taken to complete the appeal process against refusal of benefit for different benefits from his Department's local offices at Chorlton, Rusholme and Sale.

Mr. Portillo: The national administrative statistics for social security appeal tribunals, which are the source for average durations between the lodging of appeals and hearing, are not disaggregated for areas smaller than a social security region.

In north-western region, which includes Chorlton, Rusholme and Sale, for the quarter ending 30 June 1987 (the latest available figures) the average time taken between lodgement and hearing of an appeal for all social security benefits was 20.3 weeks.

Health District Waiting Lists

Mr. Tony Lloyd: To ask the Secretary of State for Social Services what information he has about lengths of waiting lists for each appropriate health district for colposcopy and laser treatment.

Mr. Newton: I regret that this information is not collected centrally.

North-Western Region (Staff)

Mr. Tony Lloyd: To ask the Secretary of State for Social Services what information he has for district health authorities in the north-western region about the number of *(a)* secretarial staff and *(b)* ancillary staff as a proportion of all employees.

Mr. Newton: Information held centrally is shown in the table. It is not possible to identify all staff undertaking secretarial duties, therefore "secretarial staff" has been interpreted as "administrative and clerical staff".

National Health Service staff North Western Regional Health Authority at 30 September 1986

District Health Authorities	*Adminstrative and Clerical staff as a percentage of all staff*[1]	*Ancillary staff as a percentage of all staff*[1]
Lancaster	10·0	17·3
Blackpool Wyre and Fylde	11·6	15·4
Preston	11·6	16·2
Blackburn, Hyndburn and Ribble Valley	11·2	18·9
Burnley, Pendle and Rossendale	9·8	18·0
West Lancashire	13·2	15·4
Chorley and South Ribble	14·1	12·4
Bolton	12·2	15·7
Bury	13·5	9·7
North Manchester	12·6	19·4
Central Manchester[2]	14·9	15·4
South Manchester[2]	14·1	16·7
Oldham	14·1	14·8
Rochdale	12·9	14·3
Salford[2]	11·4	16·6
Stockport	12·4	14·1
Tameside and Glossop	13·0	16·1
Trafford	15·3	16·6
Wigan	13·1	18·2
Total: Region	12·9	15·7

Source: DHSS Annual Censuses of NHS Medical and Non-Medical Manpower.

[1] Percentages are calculated on unrounded figures.

[2] Denotes Teaching Districts.

Social Fund Budgets

Mr. Tony Lloyd: To ask the Secretary of State for Social Services if he will give details of the date on which the social fund budgets were exhausted during their first month of operation for his Department's local offices in Sale, Rusholme and Chorlton in Manchester.

Mr. Portillo: As I explained in my reply to the hon. Member for Glasgow, Maryhill (Mrs. Fyfe) on 4 March at column *746*, local offices do not have fixed monthly budgets but monthly profiles of expected expenditure to assist them in planning their social fund payments. I announced in my reply to the hon. Member for Derby, South (Mrs. Beckett) on 6 May at column *656* that I will provide on a monthly basis data on the operation of the social fund for each local office.

Child Care Act 1980

Mr. Madden: To ask the Secretary of State for Social Services if, pursuant to the reply of 9 March, *Official Report*, column *244*, he will provide the information on expenditure under section 1 of the Child Care Act 1980 at constant prices.

Mr. Newton: The figures are given in the table.

Net current expenditure under Section 1 of the Child Care Act 1980 at constant 1986-87 prices using the GDP deflator England

Year	*£ million*
1982-83	4·283
1983-84	4·781
1984-85	7·939
1985-86	6·775
[1]1986-87	8·262

[1] Provisional.

Hearing-impaired Children

Mr. Alfred Morris: To ask the Secretary of State for Social Services (1) what consideration he has given to the finding of a survey by the National Deaf Children's Society, details of which have been sent to him by the society, that many health authorities are failing to discharge a statutory duty to newly diagnosed hearing-impaired children under the Education Act 1981; and if he will make a statement;

(2) if, arising from the finding of a survey by the National Deaf Children's Society, details of which have been sent to him by the society, that many health authorities are failing to discharge a statutory duty to newly diagnosed hearing-impaired children under the Education Act 1981, he will now issue guidelines drawing the attention of health authorities to their duties under the Act.

Mr. Scott: I refer the right hon. Member to my reply to the right hon. Member for Stoke-on-Trent, South (Mr. Ashley) on 13 May at columns *272-73*.

Wound Care Products

Mr. Wood: To ask the Secretary of State for Social Services whether he has any plans to make new wound care products available on prescription.

Mr. Newton: In the White Paper "Promoting Better Health" published on 26 November 1987, the Government announced that a new range of wound care products would be made available on prescription. I am pleased to say that two of these new products, Granuflex and Sorbsan dressings, will be available on prescription from 1 July 1988.

Departmental Forms

Mr. Fearn: To ask the Secretary of State for Social Services (1) what was the cost of providing stationery for the administration of the social fund since April;

(2) what has been the cost to his Department of providing new forms for *(a)* income support and *(b)* the social fund since the implementing of the Social Security Act 1986.

Mr. Portillo *[holding answer 16 May 1988]:* The combined costs of printing forms and stationery for supplementary benefits work, income support and the social fund were £4·447 million in 1986-87, £9·169 million in 1987-88 and are estimated to be £6·3 million in 1988-89.

. Information on the separate costs of forms and stationery for income support and the social fund could be made available only at disproportionate cost.

Benefits

Mr. Clay: To ask the Secretary of State for Social Services if he will publish a table showing the numbers of families with children who were in receipt of family income supplement and are now receiving family credit who will *(a)* gain, *(b)* lose and *(c)* experience no change, after allowing for housing costs, in cash terms and structural terms.

Mr. Portillo *[holding answer 20 April 1988]:* Family credit has been put into payment to over 190,000 families who were receiving FIS up to 11 April. All except under 100 families (who have been given transitional cash protection) gain in cash terms from the replacement of FIS (plus the value of free school meals and welfare milk) by family credit. After allowing for housing benefit changes, and on the modelled assumptions (but calculating gains or losses to the nearest penny), around two thirds are likely to be cash gainers overall and around a half to be hypothetical structural gainers in 1988-89. Overall cash losers may be eligible for transitional protection under the recently announced housing benefit arrangements. Details about the methods of calculation were issued last week to supplement the freepost and freeline telephone facilities already in place.

RHAs (Clerical Officers)

Mr. Fearn: To ask the Secretary of State for Social Services if he will list in the *Official Report* the number of clerical officers employed by each regional health authority for each year since 1979 until the latest year for which figures are available, together with the estimated number of clerical officers required by each regional health authority.

Mr. Newton *[pursuant to his reply, 29 February 1988, c. 462]:* The figures for each year since 1982 are shown in the table. For the years prior to 1982 information on staff in post by region is not available in a form consistent with the later years.

The same functions are not undertaken in each authority.

Clerical Officers[1] employed by each regional health authority at 30 September

Whole-time equivalents[2]

Region	*1982*	*1983*	*1984*	*1985*	*1986*
Northern	126	129	123	128	119
Yorkshire	155	154	160	149	142
Trent	212	332	349	350	341
East Anglian	82	82	106	93	77
North West Thames	89	81	62	51	43
North East Thames	91	93	140	125	117
South East Thames	122	108	117	142	139
South West Thames	158	162	136	142	216
Wessex	106	109	99	78	75
Oxford	150	224	232	213	192
South Western	150	148	129	119	106
West Midlands	314	286	298	284	283
Mersey	122	110	108	110	136
North Western	229	196	193	191	184

Source: DHSS annual census of National Health Service non-medical manpower.
[1] Staff employed on Higher Clerical Officer, Clerical Officer (full duties) and Clerical Officer (reduced duties) pay scales.
[2] All figures are independently rounded to the nearest whole-time equivalent.

National Health Service (Compensation Payments)

Miss Widdecombe: To ask the Secretary of State for Social Services if he will now publish the outturn figures for 1986-87 for compensation payments to National Health Service staff in respect of redundancies and early retirement in the manner described in the Government's reply to the first report from the Social Services Committee of Session 1984-85, breaking down the figures to distinguish between competitive tendering and other cases.

Mrs. Currie *[pursuant to her reply, 31 March 1988, c. 660]:* I regret that the outturn figures supplied for "other cases" under the heading "Total cost including superannuation" were incorrect. The corrected figures are set out in the table.

The outturn figures for 1986-87 are as follows:

	Number of cases	*Compensation cost* £	*Total cost including superannuation* £
Competitive tendering			
New cases	1,935	3,999,000	8,808,000
Continuing cases	1,479	1,487,000	2,099,000
Other cases			
New cases	1,767	6,100,000	22,501,000
Continuing cases	7,790	12,098,000	36,283,000

Infant Mortality

Dr. Moonie: To ask the Secretary of State for Social Services what is the infant mortality rate in England and Wales in the latest three years for which figures are available.

Mr. Currie: The table shows the infant mortality rates for England and Wales for 1985 to 1987.

Infant, neonatal and postnatal mortality rates, England and Wales, 1985 to 1987

Year	England	Wales	England and Wales
Infant mortality rates[2]			
1985	9·23	9·84	9·36
1986	9·49	9·50	9·55
1987[1]	9·09	9·49	9·20
Neonatal mortality rates[3]			
1985	5·32	5·85	5·38
1986	5·24	5·59	5·28
1987[1]	5·04	5·02	5·06
Postneonatal mortality rates[4]			
1985	3·91	4·00	3·98
1986	4·24	3·91	4·27
1987[1]	4·05	4·47	4·14

[1] Provisional.
[2] Infant deaths: deaths at ages under one year.
[3] Neonatal deaths: deaths under 28 completed days of life.
[4] Postneonatal deaths: deaths at ages 28 days and over and under one year.
All rates are per 1,000 livebirths.

Births

Ms. Richardson: To ask the Secretary of State for Social Services whether he will state for each year since 1979 in England and Wales *(a)* the number of births, *(b)* the number of live births, *(c)* the live birth rate, *(d)* the maternal mortality rate, *(e)* the perinatal mortality rate, *(f)* the forceps rate as a percentage of deliveries and *(g)* the caesarean rate as a percentage of deliveries.

Mrs. Currie *[holding answer 9 May 1988]:* The available information is given in the table. The change in the method of collection of national (England and Wales) hospital data between 1985 and 1987 means that there will be no English data analysed for 1986 and 1987 on mode of delivery. Hospital statistics for Wales from 1982 are the responsibility of my right hon. Friend the Secretary of State for Wales. The data shown for 1987 are provisional.

Number of births; rates for live births, maternal mortality, perinatal mortality, forcepts delivery and Caesarean section England and Wales 1979 to 1987, hospital data England only 1982 to 1985

Year	1979	1980	1981	1982	1983	1984	1985	1986	[6]1987
Number of total births	643,153	661,007	638,699	629,870	632,765	640,461	660,062	664,567	684,934
Number of live births	638,028	656,234	634,492	625,931	629,134	636,818	656,417	661,018	681,511
Crude live birth rate[1]	12·9	13·2	12·8	12·6	12·7	12·8	13·1	13·2	n/a
General fertility rate[2]	63·3	64·2	61·3	59·9	59·7	59·8	61·0	60·6	62·0
Maternal mortality rate[3]	0·12	0·11	0·09	0·07	0·09	0·08	0·07	0·07	n/a
Perinatal mortality rate[4]	14·7	13·3	11·8	11·3	10·4	10·1	9·8	9·6	8·9
Forceps delivery rate[5]	11·6	11·3	11·1	10·3	9·8	9·7	9·1	n/a	n/a
Caesarean section rate[5]	8·4	9·0	9·3	10·1	10·1	10·1	10·5	n/a	n/a

[1] Live births per 1,000 population all ages.
[2] Live births per 1,000 women aged 15-44 years.
[3] Maternal deaths registered per 1,000 total live and still births.
[4] Still births and infant deaths in the first week of life per 1,000 total live and still births.
[5] Per 100 maternities; England only from 1982.
[6] Provisional.
n/a Not available.

NATIONAL FINANCE

Top Tax Rate

Mr. Canavan: To ask the Chancellor of the Exchequer what percentage of income taxpayers will benefit from reducing the top rate of tax to 40 per cent.; and what is the revenue effect of this measure.

Mr. Norman Lamont: About 4·5 per cent. of income tax payers will benefit from reducing the top rate of tax to 40 per cent. at a direct revenue cost of £2,070 million in a full year.

Oil Industry

Mr. Barry Field: To ask the Chancellor of the Exchequer what representations he has received from the oil industry on the Budget; and whether he will list them in the *Official Report*.

Mr. Lilley: I and my right hon. Friend have received a number of representations from the oil industry.

Taxation Statistics

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will give for those tax units on higher marginal rates of tax the number of gainers earning *(a)* less than £40,000, *(b)* £40,000 to £50,000, *(c)* £50,000 to £70,000, *(d)* £70,000 to £100,000 and *(e)* over £100,000; and if he will give for each of these categories the total reduction in tax liability resulting from the cut in the higher rates of tax, the basic rate and the changes in personal allowances and tax bands.

Mr. Norman Lamont *[holding answer 21 April 1988]:* The information is given in the table. I regret that reliable estimates for those with income over £100,000 per year are not available as estimates are based on a projection of the 1985-86 survey of personal incomes. All estimates are provisional.

Gains made by higher-rate tax units[2] in 1988-89 from changes in income tax allowances, rates and thresholds in 1988 Budget

Total income	Number of higher-rate tax units[1] ('000)	Reduction in tax liability (£ million)	Average[3] reduction in tax liability (£ per annum)
Less than £40,000	980	670	690
£40,000-£50,000	170	290	1,700
£50,000-£70,000	135	470	3,470
Above £70,000	100	1,430	15,210
All higher rate taxpayers	1,380	2,860	2,070

[1] Married couples and single people.
[2] Tax units who would have been liable to tax at the higher rates under the 1987-88 tax regime indexed to 1988-89.
[3] Based on unrounded figures.

Personal Taxation

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will give for the year 1988 (i) the projected tax revenue forgone as a result of the abolition of each of the *(a)* 60 per cent., *(b)* 55 per cent., *(c)* 50 per cent. and *(d)* 45 per cent. marginal rates of tax assuming indexation of personal allowances and tax bands to inflation only, (ii) the projected reduction in income tax liability of each of the groups of taxpayers in those tax bands following the changes to taxation announced in the budget and (iii) the number of tax units that would have fallen into each category.

Mr. Norman Lamont *[holding answer 18 April 1988]:* The information is in the tables.

Direct revenue costs in a full year of successively abolishing the higher tax rates above 40p at 1988-89 levels and tax units[1] benefiting compared with 1987-88 tax regime indexed to 1988-89

Higher tax rate abolished	Direct revenue cost £ million	Number of tax units[1] '000s
60p	770	180
55p	580	290
50p	420	540
45p	320	930
All rates above 40p	2,090	930

[1] Married couples and single people.

Direct revenue costs in a full year of changes in income tax allowances, thresholds, and rates in 1988 Budget at 1988-89 income levels and tax units[1] benefiting compared with 1987-88 tax regime indexed to 1988-89 by taxpayers marginal rate of tax

Marginal rate of tax under 1987-88 indexed tax regime	Direct revenue cost £ million	Number of tax units[1] '000s
60p	1,810	180
55p	240	110
50p	300	250
45p	260	390
All rates above 40p	2,610	930

[1] Married couples and single people.

Tax Liability

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will estimate the tax liability in respect of the tax year 1988 of a married man aged 51 with no dependent children who is in receipt for that year of a salary from his employer of £1 million assuming he has a mortgage of £30,000, a BES investment of £40,000, an investment of £810,000 in a new enterprise zone unit trust of which 94 per cent. is attributable to building costs and where 50 per cent. of the purchase price is borrowed in circumstances where guaranteed rent receivable equals the interest outgoing, and who makes a contribution to a retirement annuity scheme amounting to £195,000.

Mr. Norman Lamont *[holding answer 12 April 1988]:* Liability to income tax in 1988-89 would be nil.

Taxation (Harmonisation)

Mr. Teddy Taylor: To ask the Chancellor of the Exchequer what assessment he has made of the likely increase or decrease in the consumption of alcohol and tobacco in consequence of the recommendation of the EEC Commission on tax harmonisation; and if he will make a statement.

Mr. Lilley *[holding answer 11 May 1988]:* We estimate that consumption of alcoholic beverages would increase by between about 10 and 35 per cent., depending on the beverage; whilst consumption of tobacco products would increase by between about 5 and 20 per cent. depending on the product. The scale of the duty changes envisaged by the Commission is such that these estimates are subject to wide margins of error.

Post Office (Surplus Properties)

Mr. Bright: To ask the Chancellor of the Exchequer what assessment he has made of the problems which the rules on the external financing limits for nationalised industries cause for the Post Office in disposing of surplus properties; and if he will make a statement.

Mr. Butcher: I have been asked to reply.

The Post Office's plans for disposing of assets as well as its requirements for additional capital are taken into account in the setting of external financing limits.

FOREIGN AND COMMONWEALTH AFFAIRS

Non-oil Developing Countries

Mr. Tom Clarke: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish a table in the *Official Report* showing for each of the years from 1973 to 1987, as a total for all non-oil producing developing countries, the current account balance excluding interest payments on external debts and official transfers, and the interest payments on external debt.

Mrs. Chalker: The information requested is as follows:

$ billion

	Current account deficit[1]	Interest payments
1973	5·2	6·7
1974	27·7	9·4
1975	33·8	11·5
1976	21·2	13·4
1977	15·4	15·6
1978	20·9	21·0
1979	29·4	32·2
1980	36·4	49·5
1981	43·6	68·3
1982	12·1	78·4
1983	−15·4	71·2
1984	−38·5	78·5
1985	−31·9	77·1
1986	−43·8	74·6
1987	−62·1	73·9

[1] Excluding interest payments and official transfers.
Source: International Monetary Fund 'World Economic Outlook, April 1988' (tables A39 and A43) and IMF staff.

GCHQ Staff

Mr. Harry Barnes: To ask the Secretary of State for Foreign and Commonwealth Affairs for what period after retirement security clearance is automatically required for former Government Communications Headquarters employees who wish to travel to Communist countries.

Mr. Mellor: The normal period is three years.

Prisoners of War (Compensation)

Mr. Tredinnick: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Japanese Government seeking compensation for those surviving former British military personnel who were held prisoner by the Japanese during world war 2; and if he will make a statement.

Mr. Eggar: No. Under the terms of the 1951 treaty of peace with Japan certain sums were made available to the United Kingdom. Article 14 provided for payment of
"reparations to the Allied Powers"
and article 16 for indemnification of
"those members of the armed forces of the Allied Powers who suffered undue hardships while prisoners of war of Japan."
Article 14(b) of the peace treaty waived all reparations claims of the allied powers and their nationals except as otherwise provided in the treaty.

Rainbow Warrior

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will direct Her Majesty's ambassador to the United Nations to place on record United Kingdom disapproval of the French Government's release of Dominique Prieur and Alan Maffart from Hao;
(2) if he will make representations to his French counterpart, following the release of Dominique Prieur and Alan Maffart from Hao.

Mr. Eggar: No. This is a matter for France and New Zealand to resolve.

Entry Clearance Refusals

Mr. Tony Lloyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will give details of the length of time it currently takes to provide an explanation of the decision to refuse entry clearance at each port within the Indian sub-continent.

Mr. Eggar: An applicant refused entry clearance in the Indian sub-continent and elsewhere is given a written "Notice of Refusal" which explains the reasons for refusal, as soon as a decision on the application has been taken.

Anglo-Indian Relations

Mr. Dicks: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Indian Government regarding the implications for Anglo-Indian relations of the attacks and intimidation currently being suffered by the Sikh community in some areas of India; and if he will make a statement.

Mr. Eggar: We sympathise with the efforts of the Indian Government to protect innocent people from the attacks and intimidation by Sikh terrorists which so far this year have resulted in over 900 deaths among the Sikh and other communities in Punjab. We co-operate closely with the Indian Government in combating the activities of Sikh extremists.

Punjab

Mr. Dicks: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will arrange for one of his Department's officials to visit the Punjab to view and report back to him on conditions there and on the safety of those persons with relatives and friends in the United Kingdom; what representations he has received with regard to the interests of the constituents of the hon. Member for Hayes and Harlington in this context; and if he will make a statement.

Mr. Eggar: We receive full and regular reports from Her Majesty's high commissioner in New Delhi and his staff. They are regular visitors to the Punjab. The high commissioner last visited Punjab on 26 and 27 April and discussed the situation there with the Governor of Punjab and other prominent figures.
My hon. Friend has made frequent representations with regard to the interest of his constituents in this context.

Sikhs

Mr. Dicks: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Indian Government about the safety of those Sikhs who are, or who have relatives who are, British passport holders; and if he will make a statement.

Mr. Eggar: None. We look to Governments worldwide to ensure the safety of all United Kingdom nationals whatever their ethnic origin.

Racial Discrimination

Mr. Dicks: To ask the Secretary of State for Foreign and Commonwealth Affairs what criteria he uses in deciding whether, and in what form, to make representations to foreign Governments about racial discrimination suffered by their citizens; if he will specify

how these criteria have been applied in the recent conduct of the United Kingdom's relations with *(a)* South Africa and *(b)* India; and if he will make a statement.

Mr. Eggar: The criteria used are fully consistent with our own policy, practice and international legal obligations, and distinguish appropriately between countries whose Governments practise policies of racial discrimination and those like India where it is illegal.

NORTHERN IRELAND

Climbing Frames (Safety)

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will make available grant aid to district councils in Northern Ireland towards the cost of replacing concrete, flagstones or other hard surfaces under climbing frames in public parks as a means of reducing injury to infants and young children when they fall.

Dr. Mawhinney: No. Subject to available resources, the Department of Education may offer grant-aid to district councils on the capital cost of providing public recreational facilities. Grants are not, however, payable towards the cost of ongoing maintenance or adaptations.

EMPLOYMENT

Restart

Mr. Malcolm Bruce: To ask the Secretary of State for Employment whether he has any plans to extend the communication service for the deaf to restart interviews and job clubs.

Mr. Lee: There is currently no general provision for communicators to be made available in job clubs, though job clubs have in practice been able to arrange for help to be given with communication in particular cases. The employment service is currently reviewing the needs for special help of job club clients with disabilities.

There are no current plans to extend the communication service for the deaf to restart interviews, but clients with hearing difficulties can usually be helped by other methods.

Mr. McLeish: To ask the Secretary of State for Employment if he will provide statistics concerning the destination of the long-term unemployed under the restart programme for the period June 1986 to the most recent complete month for which figures are available, for each standard region and for the number of people *(a)* interviewed, *(b)* placed on the community programme, *(c)* placed in job clubs, *(d)* placed on enterprise allowance, *(e)* placed on training schemes, *(f)* placed on restart courses, *(g)* on voluntary projects programmes and *(h)* in jobs.

Mr. Lee *[holding answer 17 May 1988]:* The number of people interviewed under the restart programme in each employment service region and the numbers referred to the various menu items, are shown in the table. We do not know how many of those interviewed ultimately end up in a job or other opportunity as a result of the restart interview.

June 1986 to March 1988

	London and South East	*South West*	*West Midlands*	*East Midlands and Eastern*	*Yorks and Humber-side*	*North West*	*Northern*	*Wales*	*Scotland*
Interviews	770,169	192,979	416,444	311,733	369,443	569,772	268,132	205,654	428,787
Referrals:									
OP	35,244	12,292	37,769	19,617	35,210	48,310	32,969	19,052	44,151
Jobclub	69,481	16,016	31,504	24,056	24,752	51,243	22,803	19,918	42,047
EAS	43,657	11,894	14,895	10,717	11,354	21,245	4,916	7,042	11,808
Training (Including New JTS)	115,295	26,743	74,813	43,641	64,945	86,735	35,954	24,769	53,271
Restart Course	47,791	18,218	30,095	25,658	21,958	44,161	28,717	23,024	36,605
VPP and Voluntary Work	14,696	7,312	8,613	7,712	8,445	14,299	4,478	5,513	6,422
Jobs	61,056	12,013	35,763	23,076	26,694	51,016	22,235	27,245	47,165

Communication Service for the Deaf

Mr. Malcolm Bruce: To ask the Secretary of State for Employment whether he has any plans to extend the communication service for the deaf to cover disablement resettlement officer interviews.

Mr. Lee: There are no plans at present to extend the communication service for the deaf to cover disablement resettlement officer interviews but clients with hearing difficulties can usually be helped by other methods.

DEFENCE

Faslane Submarine Base

Mr. Cohen: To ask the Secretary of State for Defence what are the latest estimates for increases in *(a)* cost and *(b)* time for construction of the Faslane submarine base due to geological faults; and if he will make a statement.

Mr. Freeman: I refer the hon. Member to my Adjournment debate with the hon. Member for Dumbarton (Mr. McFall) on 10 May 1988, columns 292-300.

Trigat Anti-tank Missile

Mr. Cohen: To ask the Secretary of State for Defence what is the proposed contribution of the United Kingdom to the Trigat anti-tank missile system; and if he will make a statement.

Mr. Sainsbury: The development cost to the United Kingdom of the Trigat anti-tank missile system programmes will be in the order of £300 million at current economic conditions. Subsequent production costs will depend on quantities procured and decisions on this have yet to be taken.

Newquay (Incident)

Mr. Cohen: To ask the Secretary of State for Defence if he will establish an inquiry into incidents involving British and American service men in Newquay on 7 May 1988; and if he will make a statement.

Mr. Freeman: The incident referred to concerned a disturbance in a public house. I understand that no charges are being brought by the local police but the commanding officers of each of the units involved will carry out their own investigation into what took place and taking such disciplinary action as may be necessary.

Vanguard Submarines

Mr. Cohen: To ask the Secretary of State for Defence on what dates he expects to place orders for Vanguard submarines SSBN07 and SSBN08.

Mr. Sainsbury: An invitation to tender for the construction of SSBN07 was issued to VSEL on 15 March, and an order is expected to be placed within the next year. The order for SSBN08 will follow at a later date.

Military Lands Act 1892

Mr. Cohen: To ask the Secretary of State for Defence if he will list in chronological order the byelaws made under the Military Lands Act 1892 since May 1979.

Mr. Freeman: Since May 1979 the following byelaws (and amendments to byelaws) have been made under the Military Lands Act 1892:

Byelaw	*Year made*
The Merrivale Range Byelaws	1979
Okehampton Range Byelaws	1980
Otmoor Range Byelaws	1980
The Otterburn Training Area (Amendment) Byelaws	1980
Willsworthy Range Byelaws	1980
HM Naval Base Portsmouth Byelaws	1981
The Proof and Experimental Establishment Pendine (Amendment) Byelaw	1981
Salisbury Plain Military Lands Byelaws	1981
The Warcop Principal Training Area Byelaws	1981
Longmoor Ranges and Demolition Training Area Byelaws	1982
The Tregantle Range Byelaws	1982
The Proof and Experimental Establishment, Eskmeals Byelaws	1982
Ash Ranges Byelaws	1983
Purfleet Range Byelaws	1983
Kibworth Range Byelaws	1983
The British Underwater Test and Evaluation Centre Byelaws	1984
The Bellerby Moor and Wathgill Range Byelaws	1984
RAF Molesworth Byelaws	1985
RAF Alconbury Byelaws	1985
The Upper Hulme Range Byelaws	1985
RAF Greenham Common Byelaws	1985
Royal Air Force St. Magwan Byelaws	1986
Atomic Weapons Research Establishment Aldermaston Byelaws	1986
Royal Air Force Waddington Byelaws	1986
Royal Air Force Caerwent Byelaws	1986
Royal Air Force Upper Heyford Byelaws	1986
HMS Forest Moor and Menwith Hill Station Byelaws	1986
Royal Air Force Mildenhall Byelaws	1986
Royal Air Force Lakenheath Byelaws	1986
Royal Air Force Burtonwood Byelaws	1986
The Aeroplane and Armament Experimental Establishment Boscombe Down Byelaws	1986
Royal Air Force Brawdy Byelaws	1986
Royal Ordnance Factory Cardiff Byelaws	1986
The Royal Ordnance Factory Burghfield Byelaws	1986
Faslane, Coulport and Rhu Narrows Byelaws	1986
The Dockyard Port of Rosyth Byelaws	1986
The Castlemartin RAC Range Byelaws	1986
The Holy Loch Byelaws	1986
Royal Air Force Fylingdales Byelaws	1987
Glen Fruin Road Byelaws	1987

Trident

Mr. Cohen: To ask the Secretary of State for Defence what is his latest estimate for the cost of the Trident programme; whether the costs for development of the warhead for the Trident missile are included in that figure; and if he will make a statement.

Mr. Sainsbury: The estimate for Trident remains as announced by my right hon. Friend the Secretary of State on 21 January at column *775*. Development costs for the warhead are included in this overall total. It has been the policy of successive Governments not to release more detailed information on such costs for reasons of security.

Greenham Common

Mr. Cohen: To ask the Secretary of State for Defence, pursuant to his answer to the hon. Member for Newbury (Mr. McNair-Wilson), 29 April, *Official Report*, columns *310-11 (a)* what are his plans for the future use of RAF Greenham Common, *(b)* what further construction on the base is planned with the exception of those buildings required to comply with the INF treaty and related agreements and *(c)* whether his Department proposes to remove the legal obstacle referred to in his answer by legislation; and if he will make a statement.

Mr. Freeman: RAF Greenham Common has been designated as a NATO standby operating base for many years and we envisage that this role will continue after the cruise missiles are withdrawn in three years' time. No decisions have yet been taken on any additional roles for the base thereafter. At present the main proposals for further construction, apart from buildings required for INF inspection purposes, are plans to build a communications mast and to replace outdated accommodation for single airmen. However the Ministry of Defence must retain flexibility over the use of this important base consistent with the normal planning procedures appropriate to Crown land. The decision announced on 29 April to negotiate fair compensation for

the legal extinguishment of the rights of common under the provisions of the Defence Act 1954 should ensure this flexibility without recourse to legislation.

Priddy's Hard Armaments Depot

Mr. Cohen: To ask the Secretary of State for Defence what proposals his Department has received for the future use of land at the Priddy's Hard armaments depot, Gosport once it has been vacated by his Department; and if he will make a statement.

Mr. Freeman: The RNAD Priddy's Hard site will cease to be required for defence purposes early next year. It will then be disposed of against the background of a development brief which is being prepared by the local planning authority, Gosport borough council, with which we are in close consultation. This brief will establish the precise planning requirements for the future use/development of the site.

Copehill Down (Training Village)

Mr. Cohen: To ask the Secretary of State for Defence what is the latest estimate of costs for construction of the training village at Copehill Down in Wiltshire; if he will list the contracts that have been *(a)* agreed and *(b)* tendered for construction associated with this site; at what stage construction is at present; and if he will make a statement.

Mr. Freeman: The latest estimate of the cost of the training village project at Copehill Down on Salisbury plain is £8·169 million. The main contractor for this work is ARC Construction Ltd. Other tenders for the contract were received from:

Balfour Beatty Ltd.
Cementation Construction Ltd.
M. J. Gleason Group Ltd.
Haymills (Contractors) Ltd.
Higgs and Hill Building Ltd.
The Miller Group Ltd.
A. Monk and Co. plc.
Edmund Nuttall Ltd.

The major sub-contractors are as follows:

Rapid Structures.
N. G. Bailey and Co. Ltd.
Blakedown Landscapes Ltd.
Oxford Asphalt Ltd.
Blackfords Services.

The construction work is about 12 per cent. complete and on present plans it is anticipated the project will finish on schedule late in 1989.

United States Special Operations Forces

Mr. Cohen: To ask the Secretary of State for Defence if he will list the United States special operations forces units based in the United Kingdom; and which of these are assigned to the North Atlantic Treaty Organisation or in support of other units assigned to the North Atlantic Treaty Organisation.

Mr. Ian Stewart: In addition to the United States air force's 21st special operations squadron at RAF Woodbridge, whose role I set out in my reply to the hon. Member on 29 April at column *307*, elements of the United States navy's special warfare unit based at RAF Machrihanish would also undertake certain duties in support of NATO in time of war.

USAF Space Command

Mr. Cohen: To ask the Secretary of State for Defence, pursuant to his answer to the hon. Member for Leyton on 26 April, *Official Report*, column *152-53*, to which unit of the United States air force space command the proposed deep space tracking station will be assigned; if any United Kingdom governmental agency or armed forces unit will have access to information gathered at this site; and if he will make a statement.

Mr. Freeman: The proposed deep space tracking centre at RAF Feltwell will be under the operational control of the United States air force space command wing at Falcon air force station, Colorado. Data from the station will be made available to Her Majesty's Government.

Tornado

Mr. Dykes: To ask the Secretary of State for Defence if he will give a progress report on the sale of Tornado aircraft and equipment by his Department to the kingdom of Saudi Arabia.

Mr. Sainsbury: Good progress continues to be made with the sale of Tornado and other aircraft to Saudi Arabia. Delivery of the first 20 Tornado IDS aircraft, together with associated weapons, equipment and spares, has now been completed, and the majority of PC-9s and Hawks have also been delivered. Development of the associated support facilities in Saudi Arabia is proceeding satisfactorily, as is the training programme for Saudi personnel.

Nuclear Weapons

Mr. Morgan: To ask the Secretary of State for Defence what discussions he has had with his North Atlantic Treaty Organisation counterparts about battlefield and short-range nuclear weapons.

Mr. Ian Stewart: I refer the hon. Member to the reply I gave to the hon. Member for Edinburgh, East (Mr. Strang) on 23 February at column *165*.

Rosyth Dockyard

Mr. Gordon Brown: To ask the Secretary of State for Defence what alternative sites have been investigated for the storage of intermediate nuclear waste arising from nuclear submarine refits at Rosyth dockyard.

Mr. Sainsbury: The Nuclear Industry Radioactive Waste Executive is investigating suitable sites for deep disposal of low level and intermediate level radioactive waste. Until a Nirex site is developed and operational the Ministry of Defence must make its own arrangements to store its intermediate level waste. In common with the civil nuclear industry, our practice is to locate the temporary stores in the areas in which the waste originates. Six such sites within the area of the Rosyth naval base and dockyard were investigated.

RAF Leuchars

Mr. Menzies Campbell: To ask the Secretary of State for Defence what sums have been spent on the provision of ground facilities for search and rescue operations at RAF Leuchars in the last 10 years for which information

is available; what amounts have been provided from sources other than the Treasury; and what were those sources.

Mr. Freeman: I refer the hon. and learned Member to my reply on 13 May 1988 to the hon. Member for Angus, East (Mr. Welsh) at column *262*.

Mr. Menzies Campbell: To ask the Secretary of State for Defence what sums have been spent on the provision of ground facilities at RAF Leuchars in the last 10 years for which information is available; what amounts have been provided from sources other than the Treasury; and what were those sources.

Mr. Freeman: Over the past nine years RAF Leuchars has undergone a major redevelopment programme to equip the station for its role as a Tornado F3 base. To date some £60 million has been expended on works services, of which approximately £28 million is expected to be contributed by other members of NATO through the NATO infrastructure fund.

Helicopters (Cookstown)

Mr. Hume: To ask the Secretary of State for Defence (1) if he will make a statement regarding the damage to local houses due to helicopters taking off and landing at the Ulster Defence Regiment base at Chapel street, Cookstown, detailing the number of householders who have made claims in respect of such damage, the total number of such claims, the date of each claim and the compensation paid in each case.

(2) if he will make a statement regarding the use of the helicopter pad at the Ulster Defence Regiment base at Chapel street, Cookstown, indicating what level of use is regarded as acceptable and reasonable for those living close to the pad; and whether consideration has been given to the acquisition or use of an alternative site.

Mr. Ian Stewart: I am looking into the matters raised by the hon. Member and will write to him as soon as I am in a position to do so.

Nuclear Submarines

Mr. Barry Field: To ask the Secretary of State for Defence to what extent United Kingdom nuclear submarines can avoid detection through magnetic anomaly; and if he will make a statement.

Mr. Ian Stewart: The Royal Navy is aware of the risk of detection of nuclear submarines by magnetic anomaly and takes appropriate countermeasures.

Porton Down

Mr. Key: To ask the Secretary of State for Defence when the destructor unit at the chemical defence establishment Porton Down began operation; and for what purpose.

Mr. Ian Stewart: The destructor unit at the chemical defence establishment Porton Down commenced operation in 1986. Its main purpose is to undertake the safe destruction of toxic wastes and laboratory solvents arising from the CDE research programme. In addition, old chemical agent, dating back to the two world wars, is discovered from time to time around the country. The United Kingdom abandoned its offensive CW capability in the 1950s and these materials are of no military significance but remain potentially dangerous. They are therefore removed to CDE for safe destruction.

Royal Dockyards

Mr. Matthew Taylor: To ask the Secretary of State for Defence what consultations he has had with the work force of the royal dockyards concerning commercial management.

Mr. Sainsbury: Throughout the planning for commercial management of the royal dockyards my Department offered the trades unions extensive consultations, which they declined, except for a brief period between November 1986 and February 1987. In addition, the Department issued numerous consultative documents to both the unions and members of the work forces.

Since vesting day, 6 April 1987, the responsibility for consultation has rested with the dockyard contractors.

Written Answers to Questions

Thursday 19 May 1988

SCOTLAND

Health Services (Parents)

Mrs. Fyfe: To ask the Secretary of State for Scotland whether he has considered taking steps to improve the links between health services and local authority nurseries so as to offer health screening and health education for parents.

Mr. Michael Forsyth: I am not convinced that as presently organised local authority nurseries are the most appropriate places to offer health screening and health education for parents. As I announced last year, we are providing for comprehensive national screening programmes for both breast and cervical cancer.

Rating Reform

Mr. Worthington: To ask the Secretary of State for Scotland if he will estimate the impact of a uniform business rate in England and Wales in 1990 on Scottish commerce and industry.

Mr. Lang: There is no reliable basis on which such an estimate could be made, since the combined effects of the revaluations due on both sides of the border in 1990, and the introduction of uniform business rates in England and in Wales, are not yet known.

"You and the Community Charge"

Mr. Allen Adams: To ask the Secretary of State for Scotland how many requests his Department has received from members of the public for copies of the leaflet "You and the Community Charge".

Mr. Lang: A total of 776 requests for copies had been received up to Friday 13 May.

NHS Waiting Lists

Mrs. Fyfe: To ask the Secretary of State for Scotland what is the current average waiting time for in-patient treatment in National Health Service hospitals in Scotland.

Mr. Michael Forsyth: The mean waiting time for in-patient treatment during 1986, which is the latest year for which figures are available, was 71 days.

Nuclear Waste (Caithness)

Mr. Dalyell: To ask the Secretary of State for Scotland what study he has made of the potential dangers of radioactive decommissioning and nuclear waste management in the Caithness area.

Lord James Douglas-Hamilton: As part of his responsibility for radioactive waste management strategy, my right hon. and learned Friend has full regard to the need to dispose safely of wastes from any decommissioning of nuclear facilities. The studies which have been carried out both in this country and overseas indicate that decommissioning of nuclear facilities can be carried out safely on the basis of existing technology. The radiological problems which decommissioning wastes present in disposal terms are not significantly different from those of other wastes from the nuclear industry.

Local Authority Expenditure

Mr. Allan Stewart: To ask the Secretary of State for Scotland what action he proposes to take in the light of local authorities' budgets and rates for 1988-89; and if he will make a statement.

Mr. Malcolm Rifkind [*pursuant to his reply, 3 May 1988, c. 383*]: I have now completed my consideration of the planned expenditure of district councils. I do not propose to take selective action to reduce the rate of any of these councils.

In order to encourage all authorities with planned overspends to reconsider their budgets in the course of the year, I have decided after consultation with the Convention of Scottish Local Authorities that there will be grant penalties for overspending on a tariff starting at zero and rising to 10 per cent. for a 2 per cent. overspend, 60 per cent for a 4 per cent. overspend and 110 per cent. for an overspend of 5 per cent. or more. The rate of increase between each of these points is even (linear). On the basis of planned expenditure the total penalty will be £140 million, the approximate level by which authorities are planning to overspend.

Penalties will subsequently be adjusted in the light of actual expenditure. In 1987-88 many authorities reduced their expenditure in the course of the year and as a result will recover £89 million in grant in respect of that year. I hope the same will happen in 1988-89.

I am laying the necessary rate support grant order today to allow repayments of grant in respect of 1987-88 and to give effect to grant penalties for 1988-89.

OVERSEAS DEVELOPMENT

Nicaragua

Mr. Tom Clarke: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish a table in the *Official Report* showing in ranked order the per capita contributions made by OECD member countries to Nicaragua for the latest year for which figures are available.

Mr. Chris Patten: The information requested is as follows:

Net official development assistance from Development Assistance Committee Donor Countries to Nicaragua in 1986

Donor	*Net official development assistance $ million*	*Per capita $*
Norway	11·46	2·750
Sweden	17·54	2·096
Finland	7·13	1·449
Netherlands	19·19	1·318
Denmark	3·22	0·629
Switzerland	3·61	0·550

Donor	Net official development assistance $ million	Per capita $
France	14·11	0·255
Italy	13·70	0·239
Austria	1·28	0·169
Canada	4·32	0·168
Germany	8·00	0·131
Belgium	0·65	0·066
Australia	0·08	0·005
United Kingdom	0·13	0·002
Japan	0·16	0·001

Source: Development Assistance Committee Chairman's Report.

Figures cover members of the Development Assistance Committee of the OECD. No details are available for other OECD countries. The figures reflect bilateral aid. The United Kingdom share of multilateral (mainly European Community) aid in 1985 was of the order of $4 million. Statistics are not available which would show the amounts other Development Assistance Committee donor countries provided to Nicaragua through multilateral channels; nor is the United Kingdom figure for 1986 yet available.

ENERGY

Advanced Gas-cooled Reactors

Dr. Thomas: To ask the Secretary of State for Energy (1) if he will request Her Majesty's Chief Inspector of Nuclear Installations to review the licensing of advanced gas-cooled reactors;

(2) if he will request Her Majesty's Chief Inspector of Nuclear Installations to investigate the problem of advanced gas-cooled reactor fuel assembly vibration and fuel rod fracture potential.

Mr. Michael Spicer: Operators of all AGR stations must comply with the stringent safety requirements of the Health and Safety Executive's Nuclear Installations Inspectorate in order to secure consent for continued operation. The licensing of AGRs is the subject of continuous review by the NII.

The NII is fully aware of the present position regarding fuel assembly vibration and fuel rod fracture potential in AGRs and of the further work being done on these issues.

Pressurised Water Reactor (Research and Development)

Dr. Thomas: To ask the Secretary of State for Energy what is the expenditure from 1975 to date on pressurised water reactor research and development by (i) the Central Electricity Generating Board, including direct expenditure and the cost of research and development subcontracted to the United Kingdom Atomic Energy Authority, (ii) the Nuclear Installations Inspectorate, including direct expenditure and the cost of research and development subcontracted to the United Kingdom Atomic Energy Authority, and (iii) the United Kingdom Atomic Energy Authority, excluding research and development subcontracted for the Central Electricity Generating Board and Nuclear Installations Inspectorate, and what is the forecast for such expenditure for 1989-92.

Mr. Michael Spicer: The following table sets out expenditure on PWR research and development by the Central Electricity Generating Board, the Health and Safety Executive's Nuclear Installations Inspectorate and the Department of Energy in the period 1975 up to the end of the financial year 1987-88, and expected expenditure for 1988-89:

	CEGB[1] £ million	HSE(NII)[2] £ million	D(Energy)[3] £ million
Up to 1988	140	7·5	99
1988-89	39	0·5	7

[1] Includes both direct expenditure and the cost of work subcontracted to the UKAEA.

[2] This represents expenditure on PWR safety studies and includes payments to the UKAEA. Expenditure prior to 1980 cannot be separately distinguished and is not included. The expenditure is recoverable from the nuclear site licensee.

[3] This is expenditure with the UKAEA. Expenditure prior to 1977 cannot be separately distinguished and is not included.

Expenditure in future years has not yet been determined.

PRIME MINISTER

Health Service Review

Mr. Barry Field: To ask the Prime Minister how many representations she has received about the Health Service review; and if she will break down the representations into categories of sender.

The Prime Minister: I have received a number of such representations, from individual members of the public, those employed in the Health Service and professional bodies of various kinds. These have been forwarded to my right hon. Friend the Secretary of State for Social Services so that he can consider them in the context of the review now under way. Information in the precise form requested is not available.

Turkey

Mr. Corbyn: To ask the Prime Minister what discussions she had during her visit with the Government of Turkey concerning *(a)* human rights and *(b)* the legal proceedings against Dr. Sargin and Mr. Kutlu, and allegations of torture.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave to the hon. Member for Meirionnydd Nant Conwy (Dr. Thomas) on 20 April 1988, at column *435*.

Mr. Corbyn: To ask the Prime Minister what discussions she had during her recent visit to Turkey concerning the legal proceedings against Mr. Oz, Mr. Cosku, Mr. Ozdo Jan and 11 others.

The Prime Minister: None.

Mr. Corbyn: To ask the Prime Minister what discussions she had during her recent visit to Turkey concerning the freedom of opposition and expression and the legal functioning of political parties.

The Prime Minister: These subjects were mentioned in the course of my discussions with Mr. Inonu.

Mr. Corbyn: To ask the Prime Minister whom she met during her recent visit to Turkey; and which towns she visited.

The Prime Minister: I had talks with President Evren, Prime Minister Ozal, the Social Democrat leader Mr.

Inonu, and the lord mayor of Istanbul Mr. Dalan. I went to Ankara and Istanbul. In both cities I visited a number of projects involving British companies and met those concerned.

Ministers' Engagements

Mr. Tony Lloyd: To ask the Prime Minister what advice she gives to Ministers about distinguishing between party political meetings and those they attend in an official capacity.

The Prime Minister: None. Ministers are aware of the distinction and no advice is necessary.

Engagements

Mr. Tony Banks: To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

Mr. Hardy: To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

Mr. Stern: To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

Mr. Ieuan Wyn Jones: To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

Dr. Thomas: To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

Mr. Pike: To ask the Prime Minister if she will list her official engagements for Thursday 19 May.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

EDUCATION AND SCIENCE

Voluntary Schools

Ms. Ruddock: To ask the Secretary of State for Education and Science how many times section 14 of the Education Act 1944 has been used; and in what circumstances it is his policy to use section 14 of the Education Act 1944 instead of sections 12 and 13 of the Education (School Premises) Regulations 1981.

Mr. Dunn: The Department does not keep a central record of the number of times section 14 has been used. It is for the governors of voluntary schools, rather than for the Secretary of State, to initiate any action under this section. Sections 12 and 13 of the Education (School Premises) Regulations 1981 have no bearing on the matter, since they are concerned only with school medical and staff accommodation.

City Technology Colleges

Ms. Ruddock: To ask the Secretary of State for Education and Science if he intends to apply the minimum standard contained in the Education (School Premises) Regulations 1981 to city technology colleges.

Mrs. Rumbold: City technology colleges, in line with several maintained schools in similar circumstances, are likely to provide rather more generous standards of accommodation than the minima prescribed in the regulations. Among the factors to be taken into account are the proposed curriculum emphasis on technology and science and a ratio of teachers to pupils which is characteristic of secondary schools in urban areas.

Education Reform

Mr. Tony Lloyd: To ask the Secretary of State for Education and Science what recent representations he has received or heard about proposals to reorganise or cancel the proposed reorganisation of secondary education in the borough of Trafford.

Mr. Dunn: My right hon. Friend has received various communications about the reorganisation proposals published by Trafford local education authority on 21 January 1988. No formal notification that the authority has withdrawn the proposals has so far been received.

Mr. Tony Lloyd: To ask the Secretary of State for Education and Science what steps he takes to ensure that he maintains impartiality in considering the merits of proposals by local education authorities to reorganise schools.

Mr. Dunn: My right hon. Friend considers on their individual merits all reorganisation proposals which come before him for decision. In so doing he takes careful account both of the arguments put forward by local education authorities in support of their proposals and of the points made by any objectors to the proposals. The general criteria against which my right hon. Friend considers reorganisation proposals are set out in the Department's circular 3/87.

Economic and Social Research Council

Mr. Blunkett: To ask the Secretary of State for Education and Science when he expects Professor Peter Hall to take up his appointment as chairman of the Economic and Social Research Council; and if he will make a statement.

Mr. Jackson: I have been informed by Professor Hall that he does not now propose to assume the chairmanship of the council.

Mr. Blunkett: To ask the Secretary of State for Education and Science if he will make a statement on the role of the chairman of the Economic and Social Research Council in promoting social science research.

Mr. Jackson: The role of the chairman is to pursue, with members of the council, the objects of the ESRC as set out in its charter, and to ensure that its functions are carried out efficiently and effectively.

Mr. Blunkett: To ask the Secretary of State for Education and Science what steps he is taking to ensure that any disruption caused by the Economic and Social Research Council's move to Swindon will not adversely affect the work of the council as an independent research council.

Mr. Jackson: The detailed arrangements for ESRC's move to Swindon are matters for the council itself. My right hon. Friend has, however, allocated resources to assist the council in meeting the costs arising from relocation.

Mr. Blunkett: To ask the Secretary of State for Education and Science if he will list the members of the Economic and Social Research Council.

Mr. Jackson: The information is as follows:

Acting Chairman and Secretary

Mr. David Stafford

Members

Mr. B. Allison — Chairman and Chief Executive, Business Systems Ltd.

Professor G. Bain — Professor of Industrial Relations, Warwick University

Dr. W. Birch, PhD — Formerly Director, Bristol Polytechnic

Professor J. Blondel — Professor of Political Science, European Univesity Institute, Florence

Professor G. Brown — Professor of Applied Linguistics, University of Essex

Mr. I. C. R. Byatt/Deputy Chief Economic Adviser, HM Treasury.

Mr. A. M. G. Christopher, CBE — General Secretary, Inland Revenue Staff Federation

Sir Hugh Cortazzi, GCMG — Former British Ambassador to Japan, Director Hill-Samuel & Co

Mr. G. Davies—Chief Economist, Goldman Sachs

Professor J. G. Edwards, DM, FRCP, FRCPsych — Professor of Addiction Behaviour University of London Institute of Psychiatry

Sir Christopher Foster—Commercial Adviser to British Telecom Plc

Professor H. Hanham — Vice Chancellor, University of Lancaster

Dr. R. G. L. McCrone, CB, FRSE — Chief Economic Advisor, Industry Department for Scotland

Professor A. Maynard — Director ESRC Centre for Health Economics, York

Dr. J. Metters, FRCOG — Deputy Chief Scientist, Department of Health and Social Security

Professor H. Newby — Professor of Sociology and Director of ESRC Data Archive, University of Essex

Mr. A. Noble—Chairman, British Retail Association

Professor K. Thomas, FBA — President, Corpus Christi College, Oxford

Dr. G. Winfield — Chief Executive, Overseas Division, BOC Group

Mr. Blunkett: To ask the Secretary of State for Education and Science whether suitable, permanent accommodation has now been acquired to house the Economic and Social Research Council in Swindon.

Mr. Jackson: Accommodation has been found to house ESRC in Swindon from August this year. The council will remain there until the permanent accommodation at Polaris house (alongside the Natural Environment Research Council and the Science and Engineering Research Council) is available in 1990-91.

Mr. Blunkett: To ask the Secretary of State for Education and Science how many members of the administrative staff of the Economic and Social Research Council have so far indicated their willingness to move to Swindon with the Economic and Social Research Council.

Mr. Robert Jackson: Twenty two staff have indicated a willingness to move permanently, and nine to move at least for a period. Others are still considering their position.

Mr. Blunkett: To ask the Secretary of State for Education and Science what is the current approved establishment of senior adminstrators at the Economic and Social Research Council; how many are currently in post; how many have resigned in the last 12 months; and how many have tendered their resignations in the last 12 months.

Mr. Jackson: The current approved establishment of senior administrators at ESRC is 19; 18 are currently in post; two have resigned in the last 12 months; and three have tendered their resignations (including the two who have resigned).

TRANSPORT

Anti-lock Braking Devices

Mr. Fry: To ask the Secretary of State for Transport whether he has any plans to introduce regulations to require the fitting of anti-lock braking devices to new motor vehicles.

Mr. Peter Bottomley: We are preparing draft regulations based on Community directive 88/194/EEC which will require anti-lock braking systems to be fitted to the following new vehicles first registered on or after 1 October 1991:

Towing vehicles over 16 tonnes gross weight;
Trailers over 10 tonnes gross weight;
Coaches over 12 tonnes gross weight.

We have no plans for mandatory anti-lock braking for other categories of vehicle. We do welcome the general increase in their fitment.

M25 Motorway

Mr. Adley: To ask the Secretary of State for Transport if he will make a statement on the reasons why he has sanctioned the construction of additional lanes on the M25; what are the hours of day at which congestion reaches saturation point on those stretches; and if he will tabulate for a typical 24-hour period on a week day the level of traffic on this section of the motorway, taking the heaviest period as 100.

Mr. Peter Bottomley: Fourth lanes in each direction are being provided between junctions 11 and 13 to relieve congestion, particularly during peak hours.

The Department does not normally measure journey times or queue lengths, which vary from day to day according to conditions. Traffic flows on a typical 24-hour week day between junctions 11 and 12 are as follows:—

Hours	*Hourly flow*	*Prop. of peak*
1	667	6·64
2	309	3·07
3	238	2·37
4	219	2·18
5	319	3·17
6	897	8·93
7	3,306	32·92
8	8,809	87·74
9	9,298	92·60
10	8,773	87·38
11	8,670	86·35
12	7,361	73·31
13	6,435	64·10
14	6,294	62·68
15	6,672	66·45
16	7,371	73·41
17	8,671	86·36
18	10,040	100·00
19	9,146	91·10
20	5,816	57·92
21	3,328	33·14
22	2,282	22·72
23	1,854	18·46
24	1,521	15·14

Total 24 Hour Flow = 118,300.
Annual Average Daily Flow = 117,900.

Channel Tunnel

Mr. Adley: To ask the Secretary of State for Transport what has been the increase in rail traffic between the date of the first drafting of the Channel Tunnel Bill and the latest date for which figures are available on that section of the line to be utilised by Channel tunnel trains *(a)* between Sevenoaks and Orpington and *(b)* between Tonbridge and Orpington.

Mr. David Mitchell: I am told by British Rail that information is not available in the form requested. However, the number of morning peak passengers arriving at London terminal stations on BR's south eastern main line outer services, which include services on the sections of route specified by my hon. Friend, increased by 8·3 per cent. between 1986 and 1987. BR estimates that it will rise by a further 3 to 3·5 per cent. between 1987 and 1988.

Settle to Carlisle Railway

Mr. Cryer: To ask the Secretary of State for Transport, pursuant to his answer on the Settle-Carlisle railway line on 16 May, *Official Report*, columns 677-84, what is the period of time for which British Rail is prepared to guarantee the provision of a substitute bus service.

Mr. David Mitchell: Under the Transport Act 1985 British Rail may not withdraw a subsidised guaranteed bus service without the Secretary of State's consent, so the question of the board's willingness to run such a service does not arise.

Mr. Cryer: To ask the Secretary of State for Transport, pursuant to his answer on the Settle-Carlisle railway line on 16 May, *Official Report*, columns 677-84, what running rights would be available to any private sector operator of the Settle-Carlisle railway into *(a)* Carlisle, *(b)* Hellifield, *(c)* Skipton, *(d)* Clitheroe or *(e)* Blackburn; and if such facilities have been discussed with the chairman of British Rail or any other British Rail officials.

Mr. David Mitchell: There are matters to be negotiated in the first instance between British Rail and any prospective private operator.

Mr. Cryer: To ask the Secretary of State for Transport, pursuant to his answer on the Settle-Carlisle railway line on 16 May, *Official Report*, columns 677-84, if he will list the structural liabilities on the Settle-Carlisle route which would be taken over by any private sector operator; whether obligations on 144 miles of lineside fencing would be removed; and what requirements on the provision of services and the retention of railway facilities would fall on any private purchasers.

Mr. David Mitchell: The structural liabilities to be transferred are a matter for negotiation between British Rail and any prospective purchaser of the line. It would be for such an operator to decide what services to offer; there is no statutory power for Ministers of British Rail to impose any obligation in this respect.

Mr. Cryer: To ask the Secretary of State, for Transport, pursuant to his answer on the Settle-Carlisle railway line on 16 May, *Official Report*, columns 677-684, if his calculations of revenue credited to the Settle-Carlisle railway reflected the diversion of freight services away from the route by British Rail; and whether his estimate of revenue included revenue from diversions of passenger trains in the fiscal year ended 5 April.

Mr. David Mitchell: Decisions on the routeing of freight services are made by British Rail on a commercial basis. There was no case therefore for attributing any revenue to the Settle-Carlisle railway on account of British Rail's previous decisions to use different routes for its freight trains. The cost and revenue implications of using alternatives to the Settle-Carlisle line for the diversion of passenger trains were taken into account when assessing the case for closure.

Bus Doors

Dame Jill Knight: To ask the Secretary of State for Transport what steps he proposes to take to ensure that bus doors are fitted with safety devices which would prevent their closing and the bus moving off while a traveller's arm or leg is trapped in them; and if he will make a statement.

Mr. Peter Bottomley: We share my hon. Friend's concern about the safety of bus doors. In February we put proposals for new safety regulations to deal with this problem to the Bus and Coach Council, London Regional Transport and the Society of Motor Manufacturers and Traders.

I shall be meeting representatives of the bus industry on 21 June to discuss points which the Bus and Coach Council and the SMMT have brought to our attention.

Passenger Ships (Stability)

Mr. David Shaw: To ask the Secretary of State for Transport if he will give details of the United Kingdom's contribution to recent work in the International Maritime Organisation on new stability standards for passenger ships; and if he will relate this work to other work being carried on in his Department on ship stability following the report of the court of formal investigation into the loss of the Herald of Free Enterprise.

Mr. Channon: All roll-on/roll-off ferries operating in British waters meet international standards of safety. To enhance the survivability of this type of ship following major collision damage the International Maritime Organisation has, as I told my hon. Friend on 3 March, at columns *651-54*, been developing for several years, and with the United Kingdom's support, improved standards for damage stability requirements. A meeting of the IMO's sub-committee on stability and load lines and on fishing vessel safety last August reported on proposals for revised standards; and my Department commissioned a research project to evaluate the impact of the proposed new standards on roll-on/roll-off ferries, which was to be completed before the new proposals were presented to the IMO's maritime safety committee in April.

The results of that work were put to the IMO in a United Kingdom paper, MSC 55/INF.12, which was circulated to all delegations attending the committee. They show that, relative to the standards currently applying to new ships, the proposed standards would bring about a significant improvement in the survivability of new passenger ships after a major collision. Of a representative sample of 10 ships examined, all of which fully meet the

standards that were applicable when they were built, two would meet the proposed new standards without design changes. I am placing a copy of the paper in the Library.

The maritime safety committee, with the United Kingdom's support, endorsed the proposals and it is expected that they will be formally adopted in October for inclusion in the international convention on the safety of life at sea for application to new ships to be built after an agreed future date. The United Kingdom will be pressing for an early implementation date.

This work in the IMO was in progress before the loss of the Herald of Free Enterprise, and has not been undertaken in response to any recommendation of the court of formal investigation into that accident. As my hon. Friend knows from the answer I gave him on 3 March, related work being carried out in my Department in response to the recommendations in the report of that court consists of:

(a) an assessment of all United Kingdom roll-on/roll-off ferries built before the last substantial improvement in damage stability requirements came into force in 1980;

(b) a research programme to examine specific ways, through design changes, of reducing the risk of large volumes of water reaching the car deck of a roll-on/roll-off ferry, and to prevent such an event leading to a capsize.

WALES

Valleys Initiative

Mr. Gareth Wardell: To ask the Secretary of State for Wales if he will publish in the *Official Report* the expected date of publication of his valleys initiative.

Mr. Peter Walker: I will be announcing my plans for the valleys when I have completed consultations with a range of authorities and organisations involved in the valleys.

River Rhymney (Pollution)

Mr. Ron Davies: To ask the Secretary of State for Wales if he will make a statement concerning the pollution of the River Rhymney, Mid Glamorgan, on the morning of 16 May.

Mr. Grist: Welsh Office officials have been advised by the Welsh water authority of the incident in which a small number of fish died. The authority's tracing of the source of the pollution may result in its taking legal action, and in these circumstances it would not be reasonable for me to comment.

Water Quality

Mr. Ron Davies: To ask the Secretary of State for Wales what plans he has to review the levels of expenditure by the Welsh water authority on the enhancement of water quality; and if he will make a statement.

Mr. Grist: The Welsh water authority sets and reviews periodically the level of expenditure it considers appropriate to each of the functions for which it has responsibility.

Mr. Ron Davies: To ask the Secretary of State for Wales if he will invite the Welsh water authority to conduct a survey of water quality problems and the provision of sewerage facilities in the Rhymney valley; and if he will make a statement.

Mr. Grist: In discharging its statutory functions the Welsh water authority monitors the quality of waters and assesses the needs for sewerage facilities throughout its area. In the case of the Rhymney valley, the survey of water quality is undertaken by the south-east division of the Welsh water authority.

Railway Crossings

Mr. Roy Hughes: To ask the Secretary of State for Wales what progress there has been on the implementation of the Stott report about railway crossings in Wales.

Mr. Peter Walker: This is a matter for my right hon. Friend the Secretary of State for Transport. He has accepted the recommendations of the Stott report in principle and is discussing their implementation with British Rail.

Mr. Roy Hughes: To ask the Secretary of State for Wales what proposals he has for the installation of automatic-open level crossings fitted with barriers in Wales.

Mr. Peter Walker: None. This is a matter for British Rail in association with the railways inspectorate of the Department of Transport.

EMPLOYMENT

Age Discrimination

Mr. Nicholas Baker: To ask the Secretary of State for Employment if he plans to introduce a code of practice similar to that of the Institute of Personnel Management aimed at eliminating age discrimination in job recruitment.

Mr. Lee: The Government support the principles set out in the Institute of Personnel Management's code of practice. At the present time we have no plans to introduce an official code of practice, but I am happy to commend the institute's code to all employers.

Textiles

Mr. Tom Clarke: To ask the Secretary of State for Employment how many people were employed on a full-time basis in the textile industries of each of the member countries of the European Community in 1979 and 1986.

Mr. Lee: International comparisons of labour market statistics should be treated with caution as it is difficult to obtain data for different countries on a consistent basis.

The available data, shown in the table, do not cover all European Community countries, are limited to 1979 and 1985 and refer to all employees in the textile industries.

Employees in the textile industries

	1979	*1985*
Belgium	68,400	60,900
Denmark	15,000	14,500
France	298,500	236,600
Germany	338,900	261,400
Ireland	18,500	8,800
Netherlands	34,600	21,500
Spain	245,800	164,800
United Kingdom	339,000	240,100

Source: Employment and Unemployment 1987 (Eurostat).

ACAS

Mr. Hayward: To ask the Secretary of State for Employment if he has any plans to meet the chairman of the Advisory Conciliation and Arbitration Service to discuss the present state of industrial relations in Britain.

Mr. Nicholls: My right hon. Friend has no such plans.

Labour Statistics

Mr. Wray: To ask the Secretary of State for Employment what information he has on the percentage of adult unemployment in each of the member countries of the European Community, for each year since 1974.

Mr. Lee: Following are the available total unemployment rates which allow, as far as possible, for differences in national definitions and coverage, in order to conform to the definitions of unemployment according to guidelines of the International Labour Organisation.

International Standardised Unemployment Rates: Annual Averages

	1974	*1975*	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*	*1987*
Belgium	3·0	5·0	6·4	7·4	7·9	8·2	8·8	10·8 |	12·6	12·1	12·1	11·3	11·2	10·9
Denmark	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	(9·5)	(9·2)	(7·6)	(5·8)	(5·9)
France	2·8	4·0	4·4	4·9	5·2	5·9	6·3	7·4	8·1	8·3	9·7	10·2	10·4	10·8
Germany	1·6	3·6	3·7	3·6	3·5	3·2	3·0	4·4	6·1	8·0 |	7·1	7·2	6·5	6·5
Greece	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	(9·0)	(9·3)	(8·7)	(8·2)	(8·0)
Ireland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	(15·2)	(17·0)	(18·4)	(18·5)	(19·2)
Italy	5·3	5·8	6·6	7·0	7·1	7·6	7·5	8·3	9·0	9·8	10·2	10·5 |	(10·6)	(11·0)
Luxembourg	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	(3·6)	(3·0)	(2·9)	(2·7)	(3·1)
Netherlands	2·7 |	5·2	5·5	5·3	5·3	5·4	6·0	8·5	11·4 |	12·0	11·8	10·6	9·9	9·6
Portugal	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7·9	8·4	8·5	8·5	(6·8)
Spain	2·6	3·6	4·6	5·2	6·9	8·5	11·2	13·9	15·8	17·2	20·0	21·4	21·0	20·1
United Kingdom	2·9	4·3	5·6	6·0	5·9	5·0	6·4	9·8	11·3	12·5 |	11·7	11·2	11·2	10·3

Note: OECD's standardised unemployment rates are used where available. For those EC countries for which no OECD standardised rates are available, similar harmonised rates compiled by the Statistical Office of European Communities (Eurostat) are shown in brackets.
n.a. — No standardised or harmonised rates available.
| — Break in series.

DEFENCE

Rosyth Base

Mr. Gordon Brown: To ask the Secretary of State for Defence what safety arrangements are being made following the decision to build a new facility to store radioactive waste at Rosyth naval base.

Mr. Sainsbury: The new facility will be designed and constructed to standards set by national legislation on the handling and storage of radioactive materials and will be operated in accordance with nuclear site licence conditions and the requirements of the Nuclear Installations Act 1965.

Scouts (Membership Records)

Mr. Cohen: To ask the Secretary of State for Defence for what purpose his Department keeps records of membership of the Scout movement.

Mr. Freeman: I refer the hon. Member to the answer I gave the hon. Member for Blyth Valley (Mr. Campbell) on 12 May 1988, at columns *231-32*.

Nuclear Weapons (Atmospheric Testing)

Mr. McAllion: To ask the Secretary of State for Defence if he will outline Her Majesty's Government's policy regarding the atmospheric testing of nuclear weapons.

Mr. Sainsbury: The United Kingdom is a signatory and depository Government to the 1963 partial test ban treaty prohibiting nuclear weapon tests in the atmosphere, in outer space and under water.

Corsham Bunker Complex

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Defence, pursuant to his answer to the hon. Member for Ynys Môn of 6 May, *Official Report*, column *619*, why he is unwilling to explain the purpose and functions of his Department's Corsham bunker complex.

Mr. Ian Stewart: The information the hon. Member is seeking is classified.

Low Flying

Mrs. Margaret Ewing: To ask the Secretary of State for Defence how many representations were received from Scotland relating to low-flying activity by Tornado aircraft from Royal Air Force, Germany during the Salmond trophy competition on 14 October 1987.

Mr. Freeman *[holding answer 21 April 1988]:* Nine.

Mrs. Margaret Ewing: To ask the Secretary of State for Defence if he will state the numbers and types of aircraft involved and the areas used for low flying by Royal Air Force aircraft participating in the Salmond trophy competition in each year since 1979; and what proportion of the low flying during the Salmond trophy competition in each year was conducted during the period between sunset plus 30 minutes and sunrise minus 30 minutes.

Mr. Freeman *[holding answer 21 April 1988]:* The exercise referred to as the Salmond trophy is one of the RAF's annual navigational and bombing exercises for RAF Germany squadrons. The exercise has taken place only in 1979, 1986 and 1987. The information requested is as follows:

Salmond Trophy

Year and number of aircraft	Types of aircraft	Areas used for low flying	Proportion of low flying during night
			Per cent.
1979			
not available	Harriers, Jaguars, Buccaneers	Federal Republic of Germany	No night flying
1986			
24	Tornado	Federal Republic of Germany, United Kingdom and Danish coastal waters	[1]27
1987			
24	Tornado	Federal Republic of Germany and United Kingdom	[1]27

[1] All between 7.30 pm and 9.30 pm.

Mrs. Margaret Ewing: To ask the Secretary of State for Defence if there are any plans to commence night low-level flying by Hercules aircraft in the Scottish Highlands; and if he will make a statement.

Mr. Freeman *[holding answer 21 April 1988]:* Hercules aircraft are already permitted to carry out low-level flying at night in the Scottish Highlands.

Mrs. Margaret Ewing: To ask the Secretary of State for Defence what aircraft types, and from which air forces, are currently permitted to conduct night low-level terrain following instrument flying in the north-west Scotland tactical training area.

Mr. Freeman *[holding answer 21 April 1988]:* I assume the hon. Member is referring to the Highlands restricted area, in which low-flying training using terrain-following radar takes place. RAF Tornado and Hercules aircraft and USAF F-111 and USAFE C-130 aircraft are currently permitted to carry out such training, both during the day and at night.

Dr. Thomas: To ask the Secretary of State for Defence if he will make a statement on the functions and activities of the military low-flying management group.

Mr. Freeman *[holding answer 26 April 1988]:* The military low-flying management group is a Ministry of Defence group which, acting within established policy guidelines, is responsible for the day-to-day management and operation of the United Kingdom military low-flying system.

Dr. Thomas: To ask the Secretary of State for Defence if he will list the bodies represented on the military low-flying management group.

Mr. Freeman *[holding answer 5 May 1988]:* No outside bodies are represented on the military low-flying management group.

Dr. Thomas: To ask the Secretary of State for Defence what proportion of the land area of England is included within the United Kingdom low-flying system.

Mr. Freeman *[holding answer 5 May 1988]:* The whole of the land area of England is included within the United Kingdom low-flying system.

Helicopter Proving Flights

Mrs. Margaret Ewing: To ask the Secretary of State for Defence what was the purpose of the proving flights undertaken in the Scottish Highlands in late February by a Gazelle helicopter from Royal Air Force, Shawbury.

Mr. Freeman *[holding answer 21 April 1988]:* The Gazelle helicopter in question is currently on loan to RAF Odiham and was deployed during late February on low level reconnaissance flights in the Highlands to check for obstacles on flight paths to be used later by Hercules aircraft flying in the dark.

Army Store, Donnington (Fire)

Sir John Farr: To ask the Secretary of State for Defence to what extent the buildings destroyed in the fire in the North Atlantic Treaty Organisation store at Donnington on 25 April were protected by sprinklers.

Mr. Freeman *[holding answer 9 May 1988]:* Sprinklers were not installed in the building destroyed by fire at COD Donnington on 25 April.

Sir John Farr: To ask the Secretary of State for Defence if he will list the recommendations made by the Army board of inquiry after the fire at a 10-acre Army store at Donnington on 24 June 1983 indicating *(a)* those which were put into effect, *(b)* those not acted upon and *(c)* the reason why no action was taken in those cases.

Mr. Freeman *[holding answer 9 May 1988]:* The board of inquiry recommended that the water supplies for fire fighting at COD Donnington should be enhanced; depot fire orders should be reviewed; the use of polypropylene strapping should be reviewed; constant checks to enforce discipline and ensure compliance with regulations should be applied; hose reels should be installed inside high-rise storage sheds in addition to hand extinguishers; fire advice should be obtained at the initial planning stages for the provision of storage facilities either in new buildings or by new methods in existing buildings; feasibility studies into the provision of compartmentation, sprinkler and detection systems should be carried out before decisions were made about the replacement of building B6; Army fire service personnel should be given guidance and training on fighting fires in high storage buildings; certain measures in respect of the security arrangements at COD Donnington should be taken; in any future similar investigation decisions which may affect the disciplinary process of either military personnel or civilian staff should be taken by the appropriate senior military officer; the storage arrangements for stores which could represent a health hazard should be examined by appropriately trained depot safety officers; and that a record should be made of those who might have encountered a health hazard connected with the fire. All these recommendations were acted upon.

Equipment Stores (Fire Prevention Review)

Sir John Farr: To ask the Secretary of State for Defence what were the main recommendations of the review of fire prevention methods for equipment stores and of storage policy for all three services he announced he had set in hand on 4 July 1983 indicating *(a)* those recommendations put into effect, *(b)* those not acted upon and *(c)* the reason in those cases why no action was taken.

Mr. Freeman *[holding answer 9 May 1988]:* The 1983 review identified a number of possible ways of reducing the risk of heavy loss by fire in MOD equipment stores, including, where feasible, dispersal of the more valuable stocks and compartmentation of storage buildings. The use of advanced detection and suppression systems was also identified but it was recognised that their value would be limited in buildings stacked intensively with high racking.

In some cases these and other measures have been adopted as appropriate, having regard to local needs and conditions at individual sites, and in others they are in the course of introduction.

Sir John Farr: To ask the Secretary of State for Defence why the recommendations of review of fire prevention methods for equipment stores and of storage policy for all three services he announced he had set in hand on 4 July 1983 recommending sprinkler protection for critical Army stores were not put in hand.

Mr. Freeman *[holding answer 9 May 1988]:* The tri-service review referred to did not recommend sprinkler protection for critical Army stores. It concluded that the methods of protection of stocks from fire needed to be considered on a site-by-site basis. Each service department reassessed its arrangements for the fire protection of high value and operationally essential stores on this basis. The Army department formulated, and is putting into effect, plans for the segregation and protection of stocks according to its replacement lead time which include the installation of sprinklers in some buildings.

Firearms

Mr. William Ross: To ask the Secretary of State for Defence (1) on what dates and for what muzzle energy and calibres of firearms his Department granted amended range safety certificates for ranges at *(a)* Dunmore shooting centre, Abingdon *(b)* Berkshire Downs Firearms and Ballistics Company, *(c)* Berkshire Downs rifle and pistol club and *(d)* Lambourn Valley gun club;

(2) why the Berkshire Downs rifle and pistol club was issued with a firearms ranges safety certificate on 9 May 1986 by his Department.

Mr. Freeman *[holding answer 9 May 1988]:* When invited to do so, the MOD will inspect the ranges of civilian shooting clubs which are affiliated to the NRA or NSRA. Range safety certificates when issued certify only that at the time of inspection a range conforms as regards the structural arrangments to the safety rules of MOD ranges of similar character.

Dunmore shooting centre, Abingdon was issued with a range safety certificate for the firing of weapons with a maximum muzzle energy of 1,313 ft/lbs. I refer the hon. Member to my reply on 20 April, at column *501*, for the information concerning the calibre of weapons and date of certificate. I regret the Berkshire Downs Firearms and Ballistics Company was said to have received a range safety certificate in that reply; my Department has not in fact issued a range safety certificate for this organisation.

A range safety certificate was issued, however, to the Berkshire Downs rifle and pistol club on 9 May 1986. The club was affiliated to the National Rifle Association, which requested an MOD inspection. The certificate was returned when the club closed and was re-issued on 11 May 1987 when it reopened as the Lambourn Valley gun club. The certificate covered the firing of 0·455in centrefire pistol and rimfire rifle with a maximum muzzle energy of 475 ft/lbs.

Ammunition Stores (Fire Alarms)

Mr. Cohen: To ask the Secretary of State for Defence if he will state the number of buildings that are used by his Department for storage of ammunition or explosives that have no automatic fire alarm; and if he will make a statement.

Mr. Freeman *[holding answer 12 May 1988]:* It is not our general practice to install automatic fire alarms in explosives storage buildings as these are built and maintained to standards which ensure the lowest possible risk. Automatic fire alarms are not required under explosives regulations or the Health and Safety at Work etc Act 1974. Such buildings are, however, usually served by manual fire alarms to warn employees of any incident.

HOME DEPARTMENT

Sunday Sport

15. **Mr. Holt:** To ask the Secretary of State for the Home Department when he last reviewed the effectiveness of the Sunday Observance Act 1780 in relation to spectator sporting events on Sundays.

Mr. John Patten: We are not aware of any widespread demand for a review of the effects of the Act on spectator sports in general and have not undertaken one. The issues, however, have received close parliamentary consideration in the context of the Sunday Sports Bills now before the House.

25. **Mr. Soames:** To ask the Secretary of State for the Home Department what discussions he has had with the racing authorities about the introduction of Sunday racing.

Mr. John Patten: Our discussions have been reflected in the measure of general support which we have expressed for the two Sunday Sports Bills which are at present before the House. It does not seem to us unreasonable for the racing authorities to want to hold races on Sundays and to make provision to avoid illegal betting. Equally, we have made clear our respect for the position of those who wish to retain the traditional pattern of Sundays.

43. **Mr. Key:** To ask the Secretary of State for the Home Department what information he has about the number of convictions which have been brought under the Sunday Observance Act 1780 in the last five years in respect of spectator sporting events on Sundays.

Mr. John Patten: The information available to me, which may be incomplete, shows no prosecutions relating to sporting events under the Sunday Observance Act 1780 for the years 1982 to 1986.

Immigration

16. **Dr. Reid:** To ask the Secretary of State for the Home Department if he will now recruit more staff at Lunar house to cope with immigration cases; and if he will make a statement.

26. **Mr. Boateng:** To ask the Secretary of State for the Home Department if he will now recruit more staff at Lunar house to cope with the present immigration work load; and if he will make a statement.

Mr. Renton: Vigorous steps are being taken to recruit some 100 additional staff for the immigration and nationality department at Lunar house during the current financial year. In addition, we are planning to recruit more than 100 further staff outside London to deal with the influx of citizenship applications.

Mr. Holland: To ask the Secretary of State for the Home Department how many of the total number of passengers granted temporary admission in *(a)* 1986 and *(b)* 1987 subsequently absconded.

Mr. Renton: In all, 1,161 passengers absconded in 1986 and 821 in 1987. Separate figures are not available, but the great majority would have been on temporary admission.

Mr. Holland: To ask the Secretary of State for the Home Department (1) how many people were detained overnight during 1987 in *(a)* Harmondsworth detention centre, *(b)* Queen's building, Heathrow and *(c)* the Beehive, Gatwick;

(2) what was the total number of passengers detained overnight under Immigration Act powers during 1987, by nationality.

Mr. Renton: The tables give the numbers of passengers whose detention spanned at least one night pending a decision on their admission to or their removal from the United Kingdom.

Passengers[1] detained overnight in certain locations, 1987

Location	*Number*
Harmondsworth	4,370
Queen's building	[2]1,907
Gatwick (virtually all at the Beehive)	1,825

[1] Excluding illegal entrants and deportees.
[2] Provisional.

Passengers detained overnight by nationality 1987[1]

	Number[2]
Non-EC Foreign Nationals	
Algeria	613
Arab Republic of Egypt	33
Argentina	4
Austria	13
Brazil	105
Bulgaria	2
Chile	32
China	11
Colombia	169
Cuba	3
Czechoslovakia	9
Ethiopia	67
Finland	7
GDR	4
Hungary	5
Indonesia	3
Iran	480
Iraq	198
Israel	66
Japan	71
Jordon	24
Kuwait	4
Lebanon	119
Libya	25
Mexico	31
Morocco	337
Norway	28
Pakistan	557
Peru	17
Philippines	84
Poland	10
Romania	1
Saudi Arabia	14
Somalia	57
South Africa	56
Sudan	59
Sweden	22
Switzerland	15
Syria	27
Thailand	58
Tunisia	121
Turkey	1,008
USA	271
USSR	9
Uruguay	4
Venezuela	19
Yugoslavia	110
Other Foreign Countries	393
Stateless	235
Total Non-EC Foreign	5,610
EC Nationals	
Belgium	3
Denmark	3
France	23
Germany	8
Greece	7
Italy	18
Luxembourg	—
Netherlands	5
Portugal	200
Spain	131
Total EC	398
Commonwealth Citizens	
Australia	45
Bangladesh	439
Barbados	1
Canada	36
Cyprus	71
Ghana	651
Guyana	17
Hong Kong BDTC	146
India	476
Jamaica	202
Kenya	44
Malaysia	176
Malta	14
Mauritius	56
New Zealand	23
Nigeria	705
Sierra Leone	88
Singapore	38
Sri Lanka	718
Tanzania	58
Trinidad & Tobago	18
Uganda	262
Zambia	20
Zimbabwe	32
BOC	41
Other Commonwealth countries	149
Total Commonwealth	4,526
All Nationalities	10,534

[1] Excluding illegal entrants and deportees.
[2] Provisional. The figures include a small element of double counting when a passenger is detained at more than one location.

Mr. Holland: To ask the Secretary of State for the Home Department how many of the total number of persons treated as illegal entrants in 1987, who were granted temporary admission, subsequently absconded.

Mr. Renton: A total of 924 illegal entrants were granted temporary release, in 1987 pending completion of their cases. Of these, 50 failed to comply with the terms attached and were subsequently recorded as absconders.

Mr. Holland: To ask the Secretary of State for the Home Department how many people detained under Immigration Act powers applied to the Home Office to be allowed to depart voluntarily under the supervised departure provisions of paragraph 156 of the immigration rules during 1987.

Mr. Renton: I regret that the information in the form requested could be provided only at disproportionate cost. However, in 1987 63 persons used the supervised departure provision in paragraph 156 of the immigration rules.

Mr. Holland: To ask the Secretary of State for the Home Department how many persons were recommended for deportation with no custodial sentence during 1987; and in how many such cases the courts directed release *(a)* subject to conditions, and *(b)* without conditions.

Mr. Renton: During 1987 a total of 352 persons were recommended for deportation by the courts with no custodial sentence. The courts directed release subject to restrictions in 52 cases and without restrictions in 135 cases.

Mr. Holland: To ask the Secretary of State for the Home Department how many people were received into Prison Department establishments under Immigration Act powers during 1987, by individual prison establishment.

Mr. Douglas Hogg: Information for 1987 is not yet available. The latest information is given in the table.

Receptions of persons detained under the Immigration Act 1971 into Prison Department establishments in England and Wales in 1986

Establishment	*Number*[1]
Remand centres	
Ashford	144
Brockhill	1
Exeter	1
Latchmere House	863
Low Newton	1
Norwich	1
Risley	9
Prisons	
Bedford	4
Birmingham	46
Bristol	25
Brixton	1
Canterbury	34
Cardiff	7
Durham	7
Exeter	4
Gloucester	2
Holloway	11
Hull	3
Leeds	7
Leicester	5
Lewes	3
Lincoln	2
Norwich	1
Pentonville	21
Shrewsbury	1
Winchester	4
Wormwood Scrubs	3
Others	
Blantyre House	95
Bullwood Hall	1
Erlestoke	115
All Prison Department establishments	1,422

[1] The figures are those recorded centrally and are approximate, detailed checking of individual cases would involve disproportionate cost.

Mr. Holland: To ask the Secretary of State for the Home Department what was the average length of time spent in Prison Department establishments for persons detained under Immigration Act powers during 1987.

Mr. Douglas Hogg: Information for 1987 is not yet available. The average period of detention in Prison Department establishments in England and Wales of persons initially received under the Immigration Act 1971 powers who were discharged in 1986 was about four weeks.

Mr. Holland: To ask the Secretary of State for the Home Department what was the average daily population of persons detained in Prison Department establishments under Immigration Act powers during 1987.

Mr. Douglas Hogg: In 1987 the average population of persons detained under the Immigration Act 1971 in Prison Department establishments in England and Wales was 167.

Mr. Holland: To ask the Secretary of State for the Home Department how many persons were detained under Immigration Act powers for a period of more than two months on completion of a custodial sentence during 1987.

Mr. Renton: Forty-one, excluding deportation cases who served a custodial sentence of seven days or less, about whom information is not readily available.

Mr. Corbyn: To ask the Secretary of State for the Home Department if he will give, for each year since 1979, the number of children removed from the country, under the terms of the Immigration Acts; and how many of these had representations made on their behalf by right hon. and hon. Members.

Mr. Renton: Comprehensive information is not readily available and could be provided only at disproportionate cost.

Mr. Corbyn: To ask the Secretary of State for the Home Department (1) if he will give, for each year since 1979, the number of stops requested by hon. Members under the Immigration Act which were refused;

(2) if he will give, for each year since 1979, the number of people represented by hon. Members who were refused entry and subsequently made voluntary departures, under the terms of the Immigration Act;

(3) how many persons, for each year since 1979, who were deported under the current immigration laws had representations made on their behalf by right hon. and hon. Members.

Mr. Renton: I regret that the information requested is not readily available and could be provided only at disproportionate cost.

Mr. Corbyn: To ask the Secretary of State for the Home Department how many persons of Turkish or Kurdish origin were detained between 21 March and 5 May at Harmondsworth detention centre.

Mr. Renton: A total of 161 Turkish nationals were detained at Harmondsworth between the dates given. Records do not distinguish ethnic origin.

Mr. Corbyn: To ask the Secretary of State for the Home Department how many children were detained at *(a)* Harmondsworth and *(b)* other detention centres, over the past year.

Mr. Renton: During the 12 months ended 30 April 1988 the numbers of persons under the age of 18 detained in the main immigration service detention centres were as follows:

	Number
Harmondsworth	222
The Beehive, Gatwick	163
Queen's Building, Heathrow	43

Note: Some people may have been detained in more than one location.

Mr. Corbyn: To ask the Secretary of State for the Home Department how many immigration officers and other persons for whom his Department is responsible escorted the 19 people alleged to be of Kurdish or Turkish origin back to Turkey on 5 May.

Mr. Renton: Twenty-five officers of the Metropolitan police escorted the group. They were also accompanied by two members of the immigration service, an interpreter engaged for the occasion and a doctor engaged by the airline.

Sunday Trading

17. **Mr. Stern:** To ask the Secretary of State for the Home Department when he now expects to bring forward plans for the deregulation of Sunday trading.

Mr. Renton: As is well known, the Government continue to favour complete deregulation of Sunday trading hours. They are, nevertheless, prepared to consider any practicable compromise short of this if and when a consensus can be achieved.

Summer Time

18. **Mr. Teddy Taylor:** To ask the Secretary of State for the Home Department what progress has been made in discussing summer time arrangements in the European Economic Community since the debate on 28 April; and if he will make a statement.

Mr. Douglas Hogg: Discussions with other member states of the European Community are not expected to take place until later in the summer, when a proposal for a directive on summer time arrangements for 1990 onwards will be tabled by the European Commission.

Nationality Applications

19. **Mr. Madden:** To ask the Secretary of State for the Home Department what representations he has received about the arrangements for processing British citizenship applications.

Mr. Renton: I have received a number of representations about the time taken to acknowledge applications for registration submitted before 31 December 1987, and about the time taken to consider citizenship applications generally. These delays are very much regretted, but we are dealing with this formidable task in the manner I described earlier today to my hon. Friend the Member for Richmond and Barnes (Mr. Hanley) and the hon. Member for Wolverhampton South-East (Mr. Turner).

37. **Ms. Primarolo:** To ask the Secretary of State for the Home Department what plans he has to deal with the backlog of applications for British citizenship.

40. **Mr. Jim Marshall:** To ask the Secretary of State for the Home Department if he will make a statement on the number of applications for British nationality still being processed by Lunar house.

Mr. Renton: I refer the hon. Members to the reply I gave earlier to the questions from my hon. Friend the Member for Richmond and Barnes (Mr. Hanley) and the hon. Member for Wolverhampton, South-East (Mr. Turner).

55. **Mr. Nellist:** To ask the Secretary of State for the Home Department when he now expects to acknowledge the applications made before 31 December 1987 for registration as a British citizen; and if he will make a statement.

Mr. Renton: All such applications have now been acknowledged.

IBA (Chairman)

20. **Mr. Grocott:** To ask the Secretary of State for the Home Department whether he has any plans to meet the chairman of the Independent Broadcasting Authority to discuss future arrangements for television franchises.

Mr. Hurd: I meet the chairman of the IBA from time to time to discuss a wide range of broadcasting issues.

44. **Mr. Barron:** To ask the Secretary of State for the Home Department whether he has yet reached a decision on the reappointment of the present chairman of the Independent Broadcasting Authority.

54. **Mr. Cohen:** To ask the Secretary of State for the Home Department if it is his intention to reappoint the present chairman of the Independent Broadcasting Authority.

59. **Mr. Hinchliffe:** To ask the Secretary of State for the Home Department if it is his intention to reappoint the present chairman of the Independent Broadcasting Authority.

Mr. Renton: I refer the hon. Member to the reply I gave to a question from the hon. Member for Leeds, West (Mr. Battle) on 16 May, at column *310*.

Drug Abuse

21. **Mr. Burns:** To ask the Secretary of State for the Home Department what recent assessment he has made of the efficacy of Government measures to combat the abuse of drugs.

Mr. Douglas Hogg: The ministerial group on the misuse of drugs co-ordinates and monitors the Government's

strategy against drug misuse. When the group last met on 4 May it took note of, amongst other things, the generally encouraging findings of an independent evaluation of the 1987-88 prevention campaign. As chairman of the group, I have made a number of visits to see how different aspects of the strategy are implemented. Most recently I visited the Metropolitan police central and No. 2 area drugs squads and St. Mary's hospital, Paddington drug dependency unit. I was impressed by all the excellent work being done.

51. **Mr. Chapman:** To ask the Secretary of State for the Home Department if he will make a further statement on his initiatives to tackle drugs misuse and abuse.

Mr. Douglas Hogg: I refer my hon. Friend to the replies I gave to questions from my hon. Friend the Member for Derbyshire, West (Mr. McLoughlin) on 21 April 1988, at column *517*, and from the hon. Member for Don Valley (Mr. Redmond) on 3 May 1988, at column *428*.

Criminal Cases (Right to Silence)

22. **Mr. Illsley:** To ask the Secretary of State for the Home Department if he has any plans to seek to alter the present right to silence of suspects and defendants in criminal cases.

Mr. John Patten: I refer the hon. Member to the reply given to my hon. Friend the Member for Lancashire, West (Mr. Hind) yesterday.

Prisoners (Police Cells)

23. **Mr. Cash:** To ask the Secretary of State for the Home Department what has been the recent trend in the number of prisoners held in police cells.

Mr. Douglas Hogg: The numbers in police cells rose to a peak of 1,575 in early March. Since then, both the temporary camps which my right hon. Friend announced on 30 March have been brought into operation; and the numbers had fallen to 905 yesterday.

Young People (Custody)

24. **Mr. Baldry:** To ask the Secretary of State for the Home Department if he will make a further statement on recent initiatives aimed at providing alternatives for custody for young people.

Mr. John Patten: Our thinking on alternatives to custody for young people will be reflected in the proposals on punishment in the community for offenders over 17 which we are continuing to develop and will publish later this year.

Drug Traffickers

27. **Mr. Andrew MacKay:** To ask the Secretary of State for the Home Department what information he has about the implementation of measures to confiscate the assets of convicted drug traffickers.

Mr. Douglas Hogg: During the first year of operation of the Drug Trafficking Offences Act 1986 the High Court made over 150 restraint or charging orders freezing some £7 million of suspected drug traffickers' assets; and some substantial sums have been confiscated by the Crown court, including £452,000 in one case in January 1988. The national drugs intelligence unit now co-ordinates all intelligence about the financial activity of suspected drug traffickers. We recently signed an agreement with the United States for co-operation in the tracing, freezing and confiscation of the proceeds of drug trafficking, and we expect to conclude further such agreements this year.

Myra Hindley

28. **Mr. Dickens:** To ask the Secretary of State for the Home Department if he will give permission for hypnosis to be used on Myra Hindley to assist the Great Manchester police in their search for the grave of Keith Bennett.

Mr. Douglas Hogg: We are not persuaded that hypnosis of Myra Hindley is likely to produce information which would be of material assistance in the search for the grave of Keith Bennett.

Police (Establishment)

29. **Mr. Martlew:** To ask the Secretary of State for the Home Department if he will list the outstanding applications for increases in establishment that he has received from police authorities in England and Wales.

39. **Mr. Morgan:** To ask the Secretary of State for the Home Department if he will list the police authorities in England and Wales which have recently applied to him for an increase in establishment, showing how many of these applications are still outstanding.

Mr. Douglas Hogg: The information requested is as follows:

1988-89

Police Authority	*Number of posts applied for*	*Number of posts approved with effect from 1 June 1988*
Avon and Somerset	45	20
Bedfordshire	31	10
Cambridgeshire	60	20
Cheshire	25	15
Cumbria	40	—
Devon and Cornwall	96	25
Dorset	40	—
Durham	16	—
Essex	[1]80	[1]20
Greater Manchester	140	—
Gwent	42	9
Hampshire	70	23
Hertfordshire	35	—
Humberside	37	—
Kent	59	30
Leicestershire	45	—
Merseyside	35	—
Norfolk	50	20
Northamptonshire	38	20
Northumbria	80	30
North Wales	41	10
North Yorkshire	25	—
Nottinghamshire	63	35
South Wales	66	—
South Yorkshire	50	20
Staffordshire	50	10
Suffolk	1	—
Surrey	6	—
Sussex	7	—
Thames Valley	200	[2]90
Warwickshire	14	—
West Midlands	350	70
West Yorkshire	260	23
Wiltshire	20	—
Total	2,217	500

[1] Excluding posts for Stansted airport.
[2] Includes 50 already announced with effect from 1 April 1988.

42. **Mr. Cran:** To ask the Secretary of State for the Home Department if he will give urgent consideration to approving the request for a variation in the authorised establishment of Humberside police force.

Mr. Douglas Hogg: Mr right hon. Friend was unable to give the Humberside police authority's application for 41 additional police posts priority over other applications in the allocation of the 450 additional posts available for 1988-89. The police authority has been informed that its application will be reconsidered when my right hon. Friend next takes decisions on the allocation of police manpower.

50. **Mr. Colvin:** To ask the Secretary of State for the Home Department what representations he has received about an increase in the police establishment of the Hampshire and Isle of Wight constabulary.

Mr. Douglas Hogg: We have received representations from the Police Authority and from hon. Members whose constituencies lie within the force area. The police authority applied for 23 police posts in 1987-88. This bid has been met in full with effect from 1 June 1988. A further application for 47 posts has recently been received and this will be considered together with applications received from other police authorities when my right hon. Friend next takes decisions on the allocation of police manpower.

Birmingham Pub Bombings

30. **Mr. Mullin:** To ask the Secretary of State for the Home Department what progress has been made by the Commissioner of the City of London police in the inquiry into alleged contacts between Dr. Frank Skuse and former Superintendent George Reade while they were both witnesses at the appeal hearing of the men convicted of the Birmingham pub bombings.

Mr. John Patten: I understand from the Commissioner of Police for the City of London that a report has been sent to the Director of Public Prosecutions, at whose request the inquiries were made.

Identity Cards

31. **Sir John Biggs-Davison:** To ask the Secretary of State for the Home Department what discussions he has had with his counterparts of the Trevi Group and other countries about their experience of the universal issue of identity cards; and if he will make a statement.

Mr. Douglas Hogg: The issue of identity cards has not been discussed with Ministers of other countries either within the Trevi Group or otherwise.

Police (Leicestershire)

32. **Mr. Vaz:** To ask the Secretary of State for the Home Department if he has received any recent representations concerning the request by the chief constable of Leicestershire for more police officers; and if he will make a statement.

Mr. Douglas Hogg: Yes. My right hon. Friend has carefully considered the Leicestershire police authority's application for additional manpower but was unable to allocate for the authority any of the 450 posts available for 1988-89. The police authority has been informed that its application will be considered again, together with others, when my right hon. Friend next takes decisions on the allocation of police manpower.

Broadcasting Standards Council

33. **Mr. Patchett:** To ask the Secretary of State for the Home Department if he has yet decided on the terms of reference for the new Broadcasting Standards Council.

41. **Mr. Tony Lloyd:** To ask the Secretary of State for the Home Department if he will make a statement on the proposed terms of reference for the new Broadcasting Standards Council.

Mr. Renton: I would refer the hon. Members to my right hon. Friend's statement to the House on 16 May, at columns 685-86.

Mr. Tony Banks: To ask the Secretary of State for the Home Department what will be the salary of Sir William Rees-Mogg as the chairman designate of the Broadcasting Standards Council; and what hours he will be expected to work.

Mr. Renton: Sir William's salary as chairman will be £30,000 a year on the basis of a three-day week, but a current review of this and other broadcasting appointments may lead to an increase.

Mr. Tony Banks: To ask the Secretary of State for the Home Department how many members are likely to be appointed to the Broadcasting Standards Council; what will be the period of appointment; and when the next appointment announcements will be made.

Mr. Renton: My right hon. Friend will announce the names and periods of appointment of the members of the Broadcasting Standards Council as soon as possible.

Mr. Tony Banks: To ask the Secretary of State for the Home Department what qualities will be taken into consideration when making appointments to the proposed Broadcasting Standards Council; and if he will make a statement.

Mr. Renton: We shall be seeking candidates whose personal qualities and experience will enable them to contribute to the successful establishment and operation of the council.

Mr. Tony Banks: To ask the Secretary of State for the Home Department what is the anticipated annual cost in the first five years of the Broadcasting Standards Council.

Mr. Renton: We envisage that the Broadcasting Standards Council may require a budget of around £1 million a year, but this financial provision will be reviewed in the light of experience as the work of the council develops.

Mr. Alfred Morris: To ask the Secretary of State for the Home Department, pursuant to his oral answer to the hon. Member for Manchester, Wythenshawe of 16 May, *Official Report*, column 688, what steps he has taken, or will be taking, to ensure that the proposed Broadcasting Standards Council will not conflict with the existing role of the British Broadcasting Corporation's governors and that of the members of the Independent Broadcasting Authority; and if he will make a statement.

Mr. Renton: The role of the governors of the BBC, as defined in the corporation's royal charter, licence and

agreement, and the role of the members of the IBA, as defined in the Broadcasting Act 1981, are quite distinct from the functions of the Broadcasting Standards Council as announced on 16 May. The broadcasting authorities will continue to have responsibility for programme standards and will be expected to exercise judgment in these matters.

Police Forensic Science Department

34. **Mr. Murphy:** To ask the Secretary of State for the Home Department if he has any plans to privatise the police forensic science department.

58. **Mr. Hoyle:** To ask the Secretary of State for the Home Department if he has any plans to privatise the present police forensic science department.

Mr. Douglas Hogg: We have no present plans to do so.

Official Secrets Act

35. **Mrs. Mahon:** To ask the Secretary of State for the Home Department when he now expects to make a statement on his proposals for the reform of section 2 of the Official Secrets Act.

Mr. John Patten: I refer the hon. Member to the reply given earlier to the question from the hon. Member for Sheffield, Central (Mr. Caborn).

Ms. Quin: To ask the Secretary of State for the Home Department if he will now make a statement on his proposals for the reform of the Official Secrets Acts.

Mr. John Patten: My right hon. Friend hopes to lay before Parliament next month a White Paper setting out the Government's proposals for the reform of section 2 of the Official Secrets Act 1911.

Charity Law

36. **Mr. Kirkwood:** To ask the Secretary of State for the Home Department what representations he has received seeking reform of the charities laws.

Mr. John Patten: We have received a number of representations seeking reform of charity law along the lines recommended by the Woodfield report. We have also received representations for a change in the law on charitable status.

Prison Building

38. **Mr. Devlin:** To ask the Secretary of State for the Home Department what plans his Department has to build prisons in the northern region.

Mr. Douglas Hogg: Following last year's public expenditure survey, the prison building programme contained 26 new prisons. Seven are planned for the Prison Department's northern region: four in Lancashire (Garth, Lancaster Farms, Rochdale and Buckley Hall), two in Yorkshire (Lindholme II and Doncaster) and, one in Cheshire (Thorn Cross). One in Humberside (Full Sutton) was officially opened last month. In addition, there are four prisons in the programme for which sites have not yet been chosen. One of these may be allocated to the northern region for a local prison in the north-east.

Credit Betting

45. **Mr. Andrew Mitchell:** To ask the Secretary of State for the Home Department what information he has as to the volume of credit betting which takes place on Sundays.

Mr. John Patten: None.

Horserace Totalisator Board

46. **Mr. William Powell:** To ask the Secretary of State for the Home Department when he last met the chairman of the Horserace Totalisator Board; and what matters were discussed.

Mr. John Patten: The last formal occasion on which my right hon. Friend met the chairman was on 8 March at the tote annual luncheon. They discussed matters of interest to the board and the Sunday Sports Bill, which the chairman had guided through another place.

Race Relations

47. **Mr. Marlow:** To ask the Secretary of State for the Home Department what is the annual cost to his Department of race relations policies, including the Commission for Racial Equality.

Mr. John Patten: Lead responsibility for race relations policy rests within the Home Office with the equal opportunities and general department. In 1987-88 the total cost, including staff costs, allocated out of Home Office expenditure to these policies was £11·6 million. Of this, £10·8 million was paid in grant in aid to the Commission for Racial Equality.

Terrorism

48. **Mr. Michael McNair-Wilson:** To ask the Secretary of State for the Home Department when he last met his European counterparts to discuss anti-terrorist measures.

Mr. Hurd: I attended a meeting of Trevi Ministers in Copenhagen on 9 December 1987 under the Danish presidency. I shall be attending the ministerial meeting under the German presidency in Munich on 3 June. I have also had bilateral talks with my French and Portuguese counterparts in London this year.

Prison Officers' Association

49. **Sir John Farr:** To ask the Secretary of State for the Home Department when he last met members of the Prison Officers' Association; and what matters were discussed.

Mr. Douglas Hogg: My right hon. Friend last met members of the Prison Officers' Association on 30 March. They discussed overcrowding, the staffing of establishments and the involvement of the private sector in all aspects of the remand system.

European Broadcasting

52. **Mr. Dykes:** To ask the Secretary of State for the Home Department when he next expects to discuss European broadcasting problems with his counterparts in the member states of the European Economic Community and the Council of Europe.

Mr. Tim Renton: The next meeting of Council of Europe Broadcasting Ministers is due to take place in Stockholm on 23-24 November to discuss European

broadcasting policy in an international context. There are no formal arrangements for meetings of Broadcasting Ministers in the framework of the European Community, but further discussion of the draft EC directive on broadcasting will no doubt take place in the Council in due course.

Traffic (London)

53. **Mr. Adley:** To ask the Secretary of State for the Home Department what discussions he intends to hold with the Metropolitan police to discuss traffic organisation in London; and if he will make a statement.

Mr. Douglas Hogg: My right hon. Friend meets the Commissioner of Police of the Metropolis from time to time to discuss a range of policing issues, although there are at present no plans to meet specifically in order to discuss traffic organisation in London. Officials in the Department have regular contacts with Metropolitan police staff on traffic issues.

Exeter Prison

56. **Mr. Speller:** To ask the Secretary of State for the Home Department when he expects that Exeter prison, will hold no more than the number of prisoners it was originally built to hold; and how many prisoners on remand awaiting trial are currently held there.

Mr. Douglas Hogg: On 13 May 126 unconvicted prisoners were held in Exeter prison, of whom 68 were awaiting trial in the Crown court. Since the numbers likely to be committed to prison by the courts in the future cannot be predicted with any certainty, the length of time for which overcrowding will continue in a particular prison cannot be forecast. My right hon. Friend announced on 30 March a number of measures aimed at substantially increasing the capacity of the prison system as a whole over the next few years, and thus directly tackling the overcrowding problem.

Lunar House (Mail)

57. **Ms. Short:** To ask the Secretary of State for the Home Department what action is being taken to clear the backlog of mail at Lunar house.

Mr. Renton: I refer the hon. Member to the reply given earlier to my hon. Friend the Member for Richmond and Barnes (M.. Hanley).

Turkish Students

60. **Mr. Atkinson:** To ask the Secretary of State for the Home Department if he has received any representations from the English language school industry concerning the treatment of Turkish students by immigration officials on arrival in the United Kingdom to attend courses.

Mr. Renton: Yes. They have been replied to.

Cheshire Police

Mr. Butler: To ask the Secretary of State for the Home Department if he will authorise a rise in the police establishment in Cheshire.

Mr. Douglas Hogg: As my right hon. Friend announced yesterday in reply to a question from my hon. Friend the Member for Crawley (Mr. Soames), at columns *466-67*, he has approved 15 posts for the Cheshire constabulary with effect from 1 June 1988.

Boundary Commission (General Review)

Mr. Hayward: To ask the Secretary of State for the Home Department, pursuant to the answer of 7 July 1987, *Official Report*, column *96*, to the hon. Member for Hazel Grove (Mr. Arnold) what information he has as to whether the Boundary Commission still expects the general review to commence in 1990; and how far in advance of the statutory deadline the commission is aiming to report on the outcome of this review.

Mr. Douglas Hogg: Within the limits prescribed by the Parliamentary Constituencies Act 1986, the timing of each commission's work is a matter for it to determine. I understand, however, that the Boundary Commission for England hopes to submit a report fairly early in the 1993-98 period allowed by the Act, and that the start of their review is likely to be announced early in 1991.

Channel Ferries, Dover

Mr. Austin Mitchell: To ask the Secretary of State for the Home Department if he will call for a report from the chief constable of Kent as to what steps the police have taken at Dover to clear a road to the Channel ferries for vehicles wishing to load.

Mr. Douglas Hogg: I understand from the chief constable of Kent that access to Dover docks on the public highway has remained clear throughout the current dispute. The policing of Dover harbour board property and movement from there to the ferries is a matter for the board.

Prisoners

Mrs. Ann Taylor: To ask the Secretary of State for the Home Department what is the total period of time that a prisoner sentenced to one year's imprisonment who had *(a)* been held on remand for six months, and *(b)* been held on remand for one month, would spend in custody, having lost entitlement to three months remission.

Mr. Douglas Hogg: *(a)* nine months, of which three months would be served after sentence.

(b) nine months, of which eight months would be served after sentence.

Mrs. Ann Taylor: To ask the Secretary of State for the Home Department what account is taken of periods for which prisoners have been held on remand in calculating loss of remission under rule 54 of the prison rules.

Mr. Douglas Hogg: Any remission forfeited prospectively under prison rule 54 during a period on remand may be deducted from the total amount of remission which, otherwise, would be earned in respect of that period.

Mrs. Ann Taylor: To ask the Secretary of State for the Home Department what is his estimate of the number of prisoners presently serving sentences whose total period of custody after loss of remission will be longer because periods during which they were held on remand have been disregarded in calculating loss of remission than it would have been if such periods had been taken into account in the implementation of rule 54 of the prison rules.

Mr. Douglas Hogg: Of those presently serving sentences, none.

Mrs. Ann Taylor: To ask the Secretary of State for the Home Department what guidance is issued by his Department on the account to be taken of periods spent on remand in interpreting rule 54 of the prison rules; if he will place a copy of such guidance in the Library; and if he will make a statement.

Mr. Douglas Hogg: Guidance is contained in prison standing order 3C 6(5) as amended by circular instruction 23/1988 (standing order amendment 427); copies of these documents are in the Library.

Asylum

Mr. Holland: To ask the Secretary of State for the Home Department (1) if he will provide a breakdown by nationality of the number of passengers seeking political asylum who were detained under Immigration Act powers in 1987 in *(a)* Prison Department establishments and *(b)* immigration detention accommodation;

(2) how many of the total number of passengers seeking political asylum were granted temporary admission during *(a)* 1986 and *(b)* 1987.

Mr. Renton: The information requested is not readily available and could be obtained only at disproportionate cost.

Professor Vera Ivanovna Rasdolskaya

Mr. Arbuthnot: To ask the Secretary of State for the Home Department when he will be giving a substantive reply to the letter of 15 February from the hon. Member for Wanstead and Woodford drawing his attention to the visa application made on 7 November 1987 by Mrs. Bernard for her cousin, Professor Vera Ivanovna Rasdolskaya, to pay a family visit to the United Kingdom during August.

Mr. Renton: I replied to the hon. Member yesterday.

Passports (Mr. and Mrs. Read)

Mr. Teddy Taylor: To ask the Secretary of State for the Home Department if he will make inquiries into the reason why Mr. Ronald Read and Mrs. Doris Patricia Read of 6 Montgomery Court, North Shoebury, Southend on Sea, who applied to Peterborough for passports on 17 March explaining that they were required by 9 May, have not received them; and if he will make a statement.

Mr. Renton: A letter requesting £7·50 balance of fee failed to reach Mr. and Mrs. Read, who moved house on 12 May. The Peterborough passport office has since made contact with them by telephone and their passport will be issued immediately on receipt of the balance of fee, in time for their holiday in early June. Regrettably, the application was not given any priority when it was received on 25 March.

Magistrates Courts

Mr. Bermingham: To ask the Secretary of State for the Home Department if he will list the number of vacancies at the latest available date for *(a)* justices clerks and *(b)* other staff in magistrates courts in the area of each magistrates court committee.

Mr. John Patten: There are no vacancies for justices' clerks. The latest date for which information is available for other staff is 1 April 1987, the information drawn from a survey conducted by the joint negotiating committee for magistrates courts staff. This information is set out in the table. The information for staff vacancies as at 1 April 1988 is not yet available.

Magistrates' Courts staff vacancies[1]
1 April 1987

Magistrates' Courts Committee	*Vacancies*
Avon	0
Bedfordshire	6
Berkshire	n/a
Buckinghamshire	1
Cambridgeshire	0
Cheshire	0
Cleveland	3
Cornwall	0
Cumbria	1
Derbyshire	4
Devon	n/a
Dorset	0
Durham	0
East Sussex	3
Essex	n/a
Gloucestershire	n/a
Hampshire	15
Hereford/Worcester	0
Hertfordshire	n/a
Humberside	4
Isle of Wight	1
Kent	9
Lancashire	0
Leicestershire	6
Lincolnshire	0
Norfolk	n/a
Northamptonshire	n/a
Northumberland	1
North Yorkshire	1
Nottinghamshire	n/a
Oxfordshire	n/a
Shropshire	1
Somerset	0
Staffordshire	3
Suffolk	0
Surrey	2
Warwickshire	0
West Sussex	0
Wiltshire	4
Clwyd	0
Dyfed	2
Gwent	n/a
Gwynedd	0
Mid Glamorgan	0
Powys	0
South Glamorgan	0
West Glamorgan	n/a
Barnsley	1
Birmingham	5
Bolton	0
Bradford	0
Bury	0
Calderdale	2
Coventry	0
Doncaster	2
Dudley	0
Gateshead	0
Kirklees/Huddersfield	0
Knowlsey	0
Leeds	1
Liverpool	8
Manchester	1
Newcastle	n/a
North Tyneside	3
Oldham	0

Magistrates' Courts Committee	Vacancies
Rotherham	n/a
Rochdale	2
St. Helens	1
Salford	2
Sandwell	0
Sefton	2
Sheffield	1
Solihull	0
South Tyneside	4
Stockport	1
Sunderland	3
Tameside	1
Trafford	0
Wakefield	0
Walsall	0
Wigan	1
Wirral	0
Wolverhampton	0
Barking/Dagenham	0
Barnet	1
Bexley	1
Brent	n/a
Bromley	3
Croydon	0
Ealing	n/a
Enfield	0
Haringey	0
Harrow	1
Havering	0
Hillingdon	0
Hounslow	1
Kingston	n/a
Merton	1
Newham	n/a
Redbridge	1
Richmond	5
Sutton	0
Waltham Forest	7
Uxbridge	0
Inner London	34
City of London	n/a

[1] Excluding justices' clerks.
n/a = Not available.

Press Standards Council

Mr. Tony Banks: To ask the Secretary of State for the Home Department if he will make it his policy to set up a Press Standards Council; and if he will make a statement.

Mr. Renton: The Government have no plans to set up a council to oversee press standards. There is already in place a system of self-regulation under the auspices of the Press Council.

Essex Constabulary

Dr. Michael Clark: To ask the Secretary of State for the Home Department what representations he has received regarding the strength of the Essex constabulary; and if he will make a statement.

Mr. Douglas Hogg: My right hon. Friend has just approved 20 additional posts for Essex police. This brings to 90 the number of posts we have been able to approve so far in response to its application for 150 posts over the three years 1986-87 to 1988-89. The total number of posts approved since May 1979 is now 237. The remaining posts will be considered when my right hon. Friend next takes decisions on the allocation of police manpower.

SOCIAL SERVICES

Hospital Closures (Shropshire)

Mr. Biffen: To ask the Secretary of State for Social Services how many representations he has received to date concerning the proposed hospital closure programme of the Shropshire health authority; and how many favour the proposals of the authority.

Mrs. Currie: Since my reply to my right hon. Friend on 11 March, at column *395*, we have received over 700 further letters concerning health services in Shropshire. None has expressed support for hospital closures in the district. All will be taken into account if proposals come to Ministers for decision.

Spending Power

Mr. Frank Field: To ask the Secretary of State for Social Services when he expects to reply to the question from the hon. Member for Birkenhead on net weekly spending power to which he gave a holding reply on 25 April.

Mr. Portillo: I have replied to the hon. Member today.

Mr. Ralph Howell: To ask the Secretary of State for Social Services if he will publish tables similar to his Department's tax benefit/model table, and assuming in each case that 25 per cent. of income is spent on housing costs, showing the net weekly spending power for each of *(a)* a single person, *(b)* a married couple with no children, *(c)* a couple with a child aged 11 years, *(d)* a couple with two children aged eight and 11 years, *(e)* a couple with three children aged eight, 11 and 15 years and *(f)* a couple with four children aged three, eight, 11 and 15 years, with weekly earnings of (i) £180, (ii) £190, (iii) £200, (iv) £250, (v) £300 and (vi) £400, under (A) the original tax and benefit system and (B) the new system implemented in April.

Mr. Scott: I regret that the reply can be supplied only at disproportionate cost.

Mr. Frank Field: To ask the Secretary of State for Social Services whether the figures given comparing net weekly spending power under the supplementary benefit system with those under income support, 11 March, *Official Report*, columns 406-8 take into consideration the fact that under the new regulations claimants will have to pay water rates and 20 per cent. of general rates.

Mr. Portillo *[holding answer 25 April 1988]:* The figures, at columns *406-8, Official Report*, 11 March, show the actual cash receipts of claimants, from which they would be required to pay water rates (pre- and post-reform) and the minimum contribution to general rates (post-reform). There is therefore an inadvertent inconsistency in the treatment of general rates which the footnotes should have highlighted. The revised table shows the net position after all housing costs and water rates have been paid. They also include revised estimates of the hypothetical supplementary benefit assessments which such recipients might have received, had the reforms not been introduced.

Illustrative income support cases
April 1988—£pw
Old and new income related benefit systems compared

	Supplementary benefit	*Income support*	*Net change*
Claimant's net incomes after any contributions toward housing costs and water services			
1. Rent paying lone-parent, two children aged 4 and 11, claiming three months	60·40	67·00	+6·60
2. Lone-parent with mortgage, three children under 10, claiming six months. Attendance allowance, heating and laundry additions for one child	96·15	98·60	+2·45
3. Rent-paying lone-parent, one child aged 12, part-time earnings £25, claiming under one year	59·50	71·70	+12·21
4. Single unemployed man aged 30, non-householder	29·35	33·40	+4·05
5. Pensioner aged 76, diet and heating addition, non-householder	64·35	66·45	+2·10
6. Single woman aged 26, severe disability allowance, and heating addition, non-householder	36·10	46·45	+10·35
7. Unemployed man, wife and a child aged 3. Rentpayer	63·85	65·07	+1·22
8. Single man, sick, new claim, rented accommodation	31·40	32·80	+1·40
Net income from all sources			
9. Sick man paying a mortgage, non-working wife, two children aged 3, claiming eight months	78·26	95·93	+17·67
10. Unemployed man, non-working wife, three children aged 3, 11 and 12. LA accommodation	102·98	104·02	+1·04
11. Single man aged 28, sick 7 months, additional requirements for laundry and diet, owner-occupier	38·60	43·85	+5·25
12. Single man, living alone, rented accommodation, attendence allowance and additional requirements for heating and diet, disabled over a year	70·30	90·27	+19·97
13. Unemployed man, wife sick, receiving a severe disability allowance with additional requirements for heating and laundry	59·20	67·12	+7·92
14. Pensioner aged 82, rented accommodation	41·30	43·17	+1·87
15. Pensioner aged 82, wife aged 77, owner-occupier	65·25	65·54	+0·29

Notes:

1. Hypothetical April 1988 supplementary benefit rates, pre-reform housing benefit rates and housing costs assumptions as in "Impact of the Reformed Structure of Income Related Benefits", October 1987.

2. Based on average local authority rates by family and tenure type. Water service payments are varied directly with local authority rates. All illustrations are based on local authority tenants except where owner-occupiers or non-householders are specified for the illustrations.

Overseas Pensioners

Mr. Andrew Bowden: To ask the Secretary of State for Social Services what is the total number of pensioners overseas currently in receipt of United Kingdom pensions; and if he will give *(a)* the number in countries where annual increments apply and *(c)* the number of countries where annual increments do not apply.

Mr. Scott: The total number of persons overseas in receipt of United Kingdom retirement pensions and widows benefits in December 1987 was 461,422. These are the latest figures available. The numbers in each country are as follows:

	Number
Albania	5
Alderney	502
Algeria	3
American Samoa	1
Andorra	123
Angola	1
Anguilla	62
Antarctic (British)	1
Antigua	166
Argentina	162
Ascension Island	5
Australia	117,659
Austria	2,462
Bahamas	124
Bahrain	17
Bangladesh	2,711
Barbados	1,019
Barbuda	1
Belgium	3,408
Belize	11
Benin	1
Bermuda	278
Bolivia	3
Botswana	48
Brazil	179
Brunei	9
Bulgaria	9
Burkina Faso	1
Burma	6
Cameroon	4
Canada	76,152
Cayman Islands	41
Central Africa Republic	2
Channel Islands	1
Chile	52
China	15
Colombia	22
Cook Islands	5
Costa Rica	6
Cote D'ivoire	1
Cyprus	2,848
Czechoslovakia	29
Denmark	326
Djibouti	4
Dominica, Commonwealth of	344
Dominican Republic	161
East Germany	19

	Number
Egypt	45
El Salvador	1
Equador	9
Ethiopia	4
Falkland Islands and Dependencies	8
Faroe Islands	2
Fiji	25
Finland	64
France	5,796
Gambia	10
Ghana	57
Gibraltar	340
Greece	923
Grenada	430
Guadeloupe, French Guiana, Martinique and Reunion Island	5
Guatemala	3
Guernsey	4,570
Guinea	1
Guyana	146
Haiti	1
Honduras	2
Hong Kong	447
Hungary	159
Iceland	24
India	3,334
Indonesia	19
Iran	2
Iraq	2
Irish Republic	49,259
Israel	2,270
Italy	10,366
Jamaica	12,617
Japan	52
Jersey	6,321
Jordan	7
Kenya	443
Kiribati	3
Kuwait	6
Lebanon	19
Lesotho	5
Liberia	4
Libya	2
Liechtenstein	2
Luxembourg	55
Macau	1
Madagascar	3
Malawi	54
Malaysia	65
Malta	1,713
Mauritius	123
Mexico	87
Monaco	197
Montserrat	221
Morocco	32
Mozambique	3
Nauru, Republic of	3
Nepal	19
Netherlands	2,524
Netherlands Antilles	6
New Zealand	27,957
Nicaragua	3
Nigeria	119
Norfolk Island	13
Norway	189
Oman	11
Pakistan	5,514
Panama	4
Papua New Guinea	15
Paraguay	2
Peru	41
Philippines	64
Poland	2,445
Portugal	1,718
Puerto Rico	7
Quatar	10
Rumania	18
Rwanda	2
St. Helena and Dependencies	37
St. Kitts-Nevis	324
St. Lucia	535
St. Vincent	322
San Marino	2
Sarawak	2
Sark	79
Saudi Arabia	32
Senegal	7
Seychelles	30
Sharjah	1
Sierra Leone	45
Singapore	88
Solomon Islands	7
Somalia	191
South Africa	25,273
South Korea	1
South West Africa or Namibia	14
Spain	17,592
Sri Lanka	137
Sudan	9
Swaziland	58
Sweden	78
Switzerland	1,829
Syria	2
Taiwan	5
Tanzania	37
Thailand	64
Tonga	3
Trinidad and Tobago	347
Tunisia	6
Turkey	262
Turks and Caicos Islands	4
Tuvalu	1
Uganda	17
United Arab Emirates	30
USA	41,860
USSR	783
Uruguay	21
Vanuatu	4
Vatican City	1
Venezuela	31
Virgin Islands	45
Western Samoa	12
West Germany	11,632
Yemen Arab Republic	1,028
Yemen, Peoples Democratic Republic of	134
Yugoslavia	984
Zaire	4
Zambia	131
Zimbabwe	4,454

The number of countries where annual increments apply is 182,746. The number of countries where annual increments do not apply and where United Kingdom pensioners are living is 145, and the number of pensioners in those countries is 275,901. There was a further 2,775 pensioners whose country of residence was not known at the time the statistics were prepared.

Invalid Care Allowance

Mr. Robin Cook: To ask the Secretary of State for Social Services if he will disregard the invalid care allowance in assessing entitlement to income support and national insurance benefits.

Mr. Scott: No. Invalid care allowance, income support and national insurance benefits are maintenance benefits, intended to cover a person's day-to-day living expenses. To disregard invalid care allowance when assessing entitlement to income support or national insurance benefits would mean that provision was being made twice over from public funds to cover the same needs.

Supplementary Benefit Claimants (Nottingham)

Mr. Allen: To ask the Secretary of State for Social Services if, pursuant to the reply of 10 May, *Official Report*, columns 89-90, he will supply the numbers for the disabled pensioners, single parents and other groups by category in the statistics for those claiming supplementary benefit in 1979 and in 1987 for the David Lane and Shakespeare street offices of his Department in Nottingham.

Mr. Portillo: Information is not available in the precise form requested.

The number of supplementary benefit claimants by category at 27 November 1979 and 18 November 1987 for the offices requested is as follows:

	David Lane		*Shakespeare Street*	
	1979	*1987*	*1979*	*1987*
Claimant Category				
Over pension age	3,163	3,360	4,988	5,146
Required to register for employment	1,530	5,228	1,906	5,265
Required to register for employment once a quarter	165	522	205	679
Not required to register for employment:				
Women aged under 60 and receiving Widow's Benefit	83	37	49	58
Men aged 60-64	—	206	—	444
One-parent families with child(ren) under age 16	1,067	2,065	1,236	2,372
Incapable of work because of sickness or disability	501	823	653	1,043
Required at home to care for aged or sick person aged 16 or over	39	58	51	78
Others	126	244	116	335

Source: 100 per cent. count of cases in action.

Some claimants may fit a number of categories, but each claimant is counted only once for statistical purposes.

Benefits (Homeless Claimants)

Mr. Jim Marshall: To ask the Secretary of State for Social Services what has been the effect on the street homelessness of benefit payments to homeless claimants being paid in arrears rather than in advance; and if he will make a statement.

Mr. Portillo: The arrangements for paying income support in arrears to the majority of recipients under pension age, including homeless people, began only recently on 11 April. It is too early to judge the effects of this change on homeless claimants. Moreover, by their very nature the number of people in this group is difficult to estimate. However, we will monitor any indicators of change, such as representations from organisations dealing with homeless people.

Electorate (Non-metropolitan Districts)

Mr. Simon Coombs: To ask the Secretary of State for Social Services if he will list the 30 English non-metropolitan districts which have shown the greatest percentage growth in their electorate since 1978, and what have been the percentage growth and actual figures in each case.

Mrs. Currie: The information requested is as follows:

Non-metropolitan district	*Total electors*		*Difference*	
	1978	*1988*	*Actual*	*Percentage growth*
Milton Keynes	70,545	119,534	48,989	69
Redditch	40,424	55,422	14,998	37
Wokingham	76,902	103,845	26,943	35
Tamworth	38,075	49,725	11,650	31
Peterborough	84,885	110,097	25,212	30
Huntingdonshire	77,134	99,242	22,108	29
Hart	48,680	62,187	13,507	28
East Dorset	49,965	63,486	13,521	27
The Wrekin	79,066	98,940	19,874	25
Newbury	81,711	102,017	20,306	25
Thamesdown	102,038	127,259	25,221	25
Aylesbury Vale	85,580	106,702	21,122	25
South Staffordshire	65,620	81,627	16,007	24
East Hampshire	61,584	76,592	15,008	24
Eastleigh	63,059	78,277	15,218	24
Crawley	53,541	66,435	12,894	24
Fareham	60,919	75,542	14,623	24
Basingstoke and Deane	86,068	106,299	20,231	24
Northampton	107,756	132,859	25,103	23
Caradon	47,502	58,433	10,931	23
Test Valley	61,596	75,713	14,117	23
Selby	55,994	68,758	12,764	23
West Wiltshire	69,419	84,750	15,331	22
Cherwell	67,591	82,501	14,910	22
Chelmsford	95,415	116,230	20,815	22
South Cambridgeshire	73,245	88,905	15,660	21
Woodspring	114,914	139,344	24,430	21
Maldon	33,576	40,532	6,956	21
Bracknell	51,401	62,025	10,624	21
Daventry	39,573	47,721	8,148	21

Data Protection

Mr. Cohen: To ask the Secretary of State for Social Services if he will introduce legislation specifically to prohibit any information collected for health purposes being disclosed to community charge officer; and if he will make a statement.

Mrs. Currie: No. Health authorities and family practitioner committees are already obliged to keep information received for health purposes confidential.

Employment Status (Disputes)

Mr. David Howell: To ask the Secretary for Social Services how many cases in which employed or self-employed status was in dispute came to the attention of officials in his Department in 1987.

Mr. Portillo: This information is not available. However, there is a procedure whereby a person who disputes a departmental ruling can have it formally referred for determination by the Secretary of State and there were 85 such references involving employment status in 1987.

Health Spending

Ms. Harman: To ask the Secretary of State for Social Services if he will now publish a table showing for 1986, for each member state of the European Economic Community (i) total, (ii) public and (iii) private spending on health as a proportion of gross domestic product.

Mr. Newton: The available data for 1986 from the Organisation for Economic Co-operation and Development are as follows:

Expenditure on health care as a percentage of GDP, 1986

	Total, of which:	*Public*	*Private*
Belgium	7·1	5·5	1·6
Denmark	n/a	n/a	n/a
France	8·5	6·7	1·8
Germany	8·1	6·3	1·8
Greece	3·9	3·7	0·2
Ireland	n/a	n/a	n/a
Italy	6·7	5·2	1·5
Netherlands	8·3	6·5	1·8
Portugal	n/a	n/a	n/a
Spain	n/a	n/a	n/a
United Kingdom	6·2	5·4	0·8

Source: OECD
Note: Luxumbourg is excluded from the table because of reported inconsistencies in the national health accounts.

Health Authorities (Oxford)

Mr. Andrew Smith: To ask the Secretary of State for Social Services if he will list the expenditure of the district health authorities of the Oxford region in each of the last 10 years *(a)* in cash, *(b)* adjusted for inflation and *(c)* expressed as a percentage of the regional total.

Mr. Newton: Following is information derived from the annual accounts of the district health authorities in the Oxford region from their establishment on 1 April 1982 until 1986-87 (the latest year available):

Oxford region	*Revenue expenditure*			*Capital expenditure*		
District health authorities	*Per annual accounts £'000*	*At 1986-87 prices £'000*	*Proportion of total Per cent.*	*Per annual accounts £'000*	*At 1986-87 prices £'000*	*Proportion of total Per cent.*
1982-83						
East Berkshire	43,549	52,098	13·3	4,371	5,229	18·5
West Berkshire	58,175	69,595	17·8	2,094	2,505	8·8
Aylesbury Vale	34,108	40,804	10·5	708	847	3·0
Wycombe	23,762	28,427	7·3	1,200	1,435	5·1
Milton Keynes	7,091	8,483	2·2	7,508	8,982	31·7
Kettering	25,677	30,718	7·9	664	794	2·8
Northampton	46,424	55,537	14·2	2,885	3,451	12·2
Oxfordshire	87,491	104,666	26·8	4,222	5,051	17·9
Districts—Total	326,277	390,328	100·0	23,652	28,294	100·0
1983-84						
East Berkshire	45,931	52,481	13·4	7,547	8,623	30·3
West Berkshire	59,876	68,415	17·5	1,927	2,202	7·7
Aylesbury Vale	33,850	38,677	9·9	1,187	1,356	4·8
Wycombe	24,528	28,026	7·2	1,086	1,241	4·4
Milton Keynes	9,259	10,579	2·7	5,670	6,478	22·7
Kettering	26,821	30,646	7·9	1,019	1,164	4·1
Northampton	49,419	56,467	14·5	3,526	4,029	14·1
Oxfordshire	92,073	105,204	26·9	2,969	3,392	11·9
Districts—Total	341,757	390,495	100·0	24,931	28,485	100·0
1984-85						
East Berkshire	47,527	52,007	12·8	6,915	7,567	28·7
West Berkshire	64,061	70,099	17·3	2,048	2,241	8·5
Aylesbury Vale	36,743	40,206	9·9	2,203	2,411	9·1
Wycombe	25,808	28,240	7·0	1,808	1,978	7·5
Milton Keynes	16,224	17,753	4·4	1,581	1,730	6·6
Kettering	29,497	32,277	8·0	1,377	1,507	5·7
Northampton	52,193	57,112	14·1	4,823	5,277	20·0
Oxfordshire	97,832	107,053	26·5	3,337	3,651	13·9
Districts—Total	369,885	404,747	100·0	24,092	26,362	100·0
1985-86						
East Berkshire	50,361	52,003	12·9	6,783	7,004	26·4
West Berkshire	67,196	69,386	17·3	4,535	4,683	17·7
Aylesbury Vale	38,457	39,711	9·9	3,398	3,509	13·2
Wycombe	27,751	28,656	7·1	1,677	1,732	6·5
Milton Keynes	18,580	19,186	4·8	320	330	1·3
Kettering	30,846	31,851	7·9	1,347	1,391	5·2
Northampton	53,389	55,129	13·7	2,455	2,535	9·6
Oxfordshire	102,845	106,198	26·4	5,153	5,321	20·1
Districts—Total	389,425	402,120	100·0	25,668	26,505	100·0
1986-87						
East Berkshire	54,411	54,411	13·0	5,447	5,447	19·2
West Berkshire	72,384	72,384	17·2	5,350	5,350	18·9
Aylesbury Vale	41,497	41,497	9·9	4,380	4,380	15·5
Wycombe	29,943	29,943	7·1	1,414	1,414	5·0
Milton Keynes	21,031	21,031	5·0	2,448	2,448	8·6
Kettering	32,749	32,749	7·8	1,235	1,235	4·4

Oxford region	Revenue expenditure			Capital expenditure		
District health authorities	Per annual accounts £'000	At 1986-87 prices £'000	Proportion of total Per cent.	Per annual accounts £'000	At 1986-87 prices £'000	Proportion of total Per cent.
Northampton	57,013	47,013	13·6	2,249	2,249	7·9
Oxfordshire	110,946	110,946	26·4	5,821	5,821	20·5
Districts—Total	419,974	419,974	100.0	28,344	28,344	100.0

Disabled Persons Act 1986

Mr. Wigley: To ask the Secretary of State for Social Services, pursuant to his answer to the hon. Member for Caernarfon of 1 March, *Official Report*, column *552*, if he will give the dates on which meetings have taken place with representatives of local authorities on the implementation of the Disabled Persons Act 1986.

Mr. Scott: Since the Disabled Persons (Services, Consultation and Representation) Act received the Royal Assent on 8 July 1986, meetings with representatives of the local authority associations for England have taken place on the following dates:

24 July 1986
19 December 1986
24 February 1987
14 April 1987
14 May 1987
2 June 1987
15 June 1987
9 October 1987
20 October 1987

Apart from these formal meetings there have been frequent contacts with the association about the Act.

Resource Allocation Working Party

Mr. Mullin: To ask the Secretary of State for Social Services when he expects that the revision of the national resource allocation working party will be complete; and if he will make a statement.

Mr. McCrindle: To ask the Secretary of State for Social Services (1) if he has any plans to improve the operation of the resource allocation working party; and if he will make a statement;

(2) if he has received the report of the working party on the resource allocation working party; if he will publish the report; and if he will make a statement.

Mr. Newton: The programme of analysis and research undertaken for the review of the resource allocation working party has been completed, and we are considering the resulting recommendations from the NHS Management Board. A statement will be made in due course.

Mr. McCrindle: To ask the Secretary of State for Social Services if he will indicate for each of the years it has operated the proportion of total expenditure allocated through the resource allocation working party formula to each of the Thames health regions; and if he will make a statement.

Mr. Newton: The table shows the proportion of the total revenue resources available for distribution under the terms of the resource allocation working party formula allocated to each of the Thames regional health authorities since 1977-78.

Years	Region				Total Thames Regions
	North West Thames	North East Thames	South East Thames	South West Thames	
1977-78	8·5	9·5	9·0	7·2	34·2
1978-79	8·4	9·3	8·9	7·1	33·7
1979-80	8·3	9·2	8·8	7·0	33·3
1980-81	8·3	9·2	8·7	7·0	33·2
1981-82	8·2	9·1	8·7	7·0	33·0
1982-83	8·0	9·4	8·6	6·9	32·9
1983-84	7·7	9·7	8·5	6·7	32·6
1984-85	7·7	9·5	8·5	6·6	32·3
1985-86	7·6	9·4	8·4	6·5	31·9
1986-87	7·5	9·4	8·3	6·1	31·6
1987-88	7·3	9·1	8·1	6·8	31·3
1988-89	7·3	9·1	8·1	6·7	31·2

Note: Excludes elements of funding protected from the redistributive effect of RAWP, for example, the service increment for teaching and supra-regional services funding. Similarly excludes funding directed at specific service needs: for example AIDS and breast cancer screening.

Mr. McCrindle: To ask the Secretary of State for Social Services if he has any plans to review the proportion of total expenditure provided to the Thames health regions; and if he will make a statement.

Mr. Newton: We will consider the position of all regional health authorities, and the pace at which their resource allocations are brought into line with their target shares of the available resources, in updating regions' planning assumptions for 1989-90, which we hope to issue soon.

The review of the resource allocation working party formula has of course been re-examining the way in which regional targets are calculated. We shall therefore need to consider carefully, in determining regions' annual allocations in future, the pace at which we should take account of any changes which may flow from the review.

Social Security Reform

Mr. Tony Banks: To ask the Secretary of State for Social Services how much has been budgeted for by his Department for advertising and activities associated with the changes in social security provisions; and how much has been spent to date.

Mr. Portillo: Total spending up to the beginning of the current financial year by the Department's information division on providing factual information (leaflets, technical guides as well as advertising) about changes in social security provisions was approximately £12 million.

It is expected that a similar sum will be spent in the current financial year. To date about £1·5 million has been spent.

Claimants (Local Records)

Mr. Corbett: To ask the Secretary of State for Social Services whether he will now require local offices of his Department, serving parts of neighbouring parliamentary constituencies, to maintain records of claimants under each type of benefit, grant or loan on a constituency basis.

Mr. Portillo: Local office areas are not conterminous with parliamentary constituencies. It would be impractical to maintain local office records of claimants on a constituency basis.

Housing Benefit

Mr. Mullin: To ask the Secretary of State for Social Service whether the recently announced payments of housing benefit to persons living in sheltered accommodation, while trying to sell their house, are intended to be loans or grants.

Mr. Portillo: Neither. As long as a claimant is taking all reasonable steps to dispose of the former home, and provided he qualifies for it on income and other grounds, housing benefit is payable in the same way as for any other claimant.

Births (London)

Mr. Tony Banks: To ask the Secretary of State for Social Services if he will publish in the *Official Report* the most recent information he has of ranking amongst London boroughs in respect of *(a)* crude birth rate, *(b)* period fertility rate, *(c)* births of less than 2,500 grams, *(d)* perinatal mortality and *(e)* deaths under one year.

Mrs. Currie: The information is shown in the table. The latest available data year is 1986.

Births under 2,500 grams, perinatal and infant mortality rates, period fertility rates and crude birth rates; data and rankings[6] London boroughs 1986

London Borough	Proportion of all births under 2,500 grams		Perinatal mortality[2]		Deaths under 1 year[3]		Total period fertility rate[4]		Crude birth rate[5]	
	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank
City of London[1]	5·7	33	0·0	33	0·0	33	0·99	33	7·2	33
Barking and Dagenham	6·5	28	9·1	17	12·1	2	1·91	9	14·0	17
Barnet	7·2	22	10·7	7	7·7	23	1·64	26	13·1	25
Bexley	6·4	30	5·5	31	3·8	32	1·72	22	13·2	24
Brent	10·6	1	10·5	9	9·7	14	1·78	16	15·2	9
Bromley	7·5	17	7·0	23	6·4	29	1·66	24	11·5	31
Camden	8·4	8	9·6	16	10·1	12	1·33	31	12·4	29
Croydon	7·0	23	10·0	12	10·9	8	1·86	12	14·4	14
Ealing	7·8	13	6·6	26	5·5	31	1·69	23	14·3	15
Enfield	7·7	15	6·5	28	6·8	28	1·77	17	13·3	23
Greenwich	7·5	17	11·1	5	10·0	13	1·89	10	15·2	9
Hackney	9·2	3	10·6	8	11·6	3	2·07	3	18·0	3
Hammersmith and Fulham	6·8	27	4·9	32	8·3	20	1·46	30	13·5	19
Haringey	8·0	12	9·7	15	9·1	16	1·94	7	16·2	6
Harrow	7·7	15	10·5	9	11·6	3	1·81	14	13·7	18
Havering	5·8	32	11·3	3	10·7	9	1·58	28	11·4	32
Hillingdon	7·4	19	7·6	22	7·0	26	1·76	18	13·5	19
Hounslow	8·2	10	8·6	18	11·3	5	2·03	4	15·5	8
Islington	8·1	11	10·8	6	8·8	17	1·66	24	14·8	12
Kensington and Chelsea	6·5	28	6·8	25	6·2	30	1·26	32	12·9	26
Kingston-upon Thames	7·4	19	5·8	30	6·9	27	1·73	19	12·9	26
Lambeth	8·9	6	8·0	21	13·2	1	1·88	11	16·7	4
Lewisham	7·8	13	6·9	24	9·2	15	1·82	13	14·9	11
Merton	7·0	23	11·4	2	8·0	22	1·94	7	14·3	15
Newham	9·9	2	12·4	1	11·0	7	2·36	2	19·8	1
Redbridge	6·9	26	10·0	12	10·4	11	1·73	19	12·6	28
Richmond-upon-Thames	6·4	30	6·6	26	8·2	21	1·60	27	12·1	30
Southwark	9·0	5	10·0	12	11·2	6	1·99	5	16·5	5
Sutton	7·0	23	6·2	29	8·4	19	1·80	15	13·4	22
Tower Hamlets	9·2	3	8·3	19	8·7	18	2·38	1	19·6	2
Waltham Forest	8·8	7	11·3	3	10·7	9	1·99	5	16·0	7
Wandsworth	7·4	19	8·2	20	7·7	23	1·73	19	14·6	13
Westminster; City of	8·4	8	10·4	11	7·1	25	1·55	29	13·5	19

[1] Rates for the City of London are based on a total of 35 births (all weights); there were no stillbirths or deaths under one year of age.
[2] Perinatal mortality rate: deaths under one week plus stillbirths per 1,000 total births.
[3] Infant mortality rate: deaths under 1 year per 1,000 livebirths.
[4] The total period fertility rate (TPFR) represents the average number of children which women would have in their reproductive lifetime if the age-specific fertility rates for each area were to remain constant.
[5] Total births per 1,000 population.
[6] Rankings are from highest to lowest in all cases.

Child Cancer (Hull)

Mr. Randell: To ask the Secretary of State for Social Services whether the small areas health statistics unit will be involved in the analysis of the child cancer clusters in the Hull area, in the light of the statement of 10 March

Official Report, columns 750-51 by the Parliamentary Under-Secretary of State, the hon. Member for Lewisham, East (Mr. Moynihan).

Mrs. Currie: I refer the hon. Member to my reply to my hon. Friend the Member for Beverley (Mr. Cran) on 30 March 1988, at columns *550-51*.

Bronchitis and Emphysema

Mr. David Shaw: To ask the Secretary of State for Social Services whether the report on bronchitis and emphysema by the Industrial Injuries Advisory Council has been published; and if he will make a statement.

Mr. Scott: The Industrial Injuries Advisory Council's report on bronchitis and emphysema is published today and a copy has been placed in the Library. The council concludes that there is insufficient evidence at the present time to warrant prescription, under the terms of section 76(2) of the Social Security Act 1975, of bronchitis and emphysema as industrial diseases in their own right.

The council calls for more research into non-smoking dust-exposed workers and undertakes to review the subject again when such evidence becomes available. It also announces that a separate investigation will be conducted into respiratory disease in welders. Finally, the report clarifies that emphysema caused by inhaled cadmium fume is already covered under the terms of prescription of the prescribed disease C18 (poisoning by cadmium).

We have accepted the council's conclusions and recommendations.

St. Albans (Electorate)

Mr. Robert B. Jones: To ask the Secretary of State for Social Services whether he will set out a table showing the 1988 electorate for each ward in the district of St. Albans.

Mrs. Currie: The information requested is as follows:

District of St. Albans

Ward Name	*Number*[1]
St. Albans Parliamentary Constituency	
Batchwood	4,893
St. Peter's	4,605
Verulam	5,205
Sopwell	4,898
Cunningham	4,841
Ashley	4,945
Clarence	4,357
Marshalswick South	5,215
Harpenden North	5,967
Harpenden East	5,073
Harpenden South	5,139
Harpenden West	5,184
Colney Heath	2,797
Sandridge	3,689
Marshalswick North	4,997
Redbourn	4,524
Hertsmere Parliamentary Constituency	
London Colney	5,557
Watford Parliamentary Constituency	
Park Street	4,392
St. Stephen	5,747
Welwyn Hatfield Parliamentary Constituency	
Wheathampstead	4,874

[1] Parliamentary Electorate on the 1988 Register.

Household Incomes

Mr. Carttiss: To ask the Secretary of State for Social Services if he will publish the new statistics on households with below average incomes, as recommended in the technical report placed in the Library on 29 March; and if he will make a statement.

Mr. Portillo: Following the recommendations in the report of the technical review of the DHSS low income statistics, which was placed in the Library on 29 March, I have today placed in the Library the first edition of the new series "Households below average income: a statistical analysis". The tables cover the years 1981, 1983 and 1985. In addition, I have also placed in the Library the final edition of the "Low Income Families" figures covering the same years.

The tables show that living standards have been rising significantly, and that those with the lowest incomes have shared in the improvements. Indeed, between 1981 and 1985 the average incomes of those in the bottom tenth rose by over 8 per cent.—well ahead of the average increases for the population as a whole.

Premature Births

Mrs. Ann Winterton: To ask the Secretary of State for Social Services what information he has concerning the number of premature babies born in each of the last five years which have survived at *(a)* 24 weeks gestation, *(b)* 25 weeks gestation, *(c)* 26 weeks gestation, *(d)* 27 weeks gestation and *(e)* 28 weeks gestation; and if he will make a statement.

Mr. Newton *[holding answer 16 May 1988]:* Information is not available in precisely the form requested.

The nearest available data are shown in the tabie. The data have been taken from the maternity section of the "Hospital In-patient Enquiry" (HIPE) and shows the estimated number of babies, born at relevant gestation weeks, who were subsequently discharged alive from NHS hospitals. The data are for England only, for the years 1982-85. 1981 data are not available, whilst 1985 is the last data year for HIPE.

Estimated number of babies discharged live from NHS maternity hospitals by gestation weeks of birth, England, 1982-85

	24 weeks	*25 weeks*	*26 weeks*	*27 weeks*	*28 weeks*
1982	97	162	226	399	442
1983	77	120	263	296	504
1984	87	206	163	424	587
1985	163	152	196	316	468

Cancer Screening

Mr. Morley: To ask the Secretary of State for Social Services (1) what is the average wage for those staff involved in cervical cancer screening;

(2) how many staff involved with cervical cancer screening earn over £17,000 per annum.

Mrs. Currie *[holding answer 18 May 1988]:* There is not a group of staff occupied wholly on cervical cancer screening. A range of staff in district health authorities and family practitioner committees (for example, GPs, practice nurses, pathologists, laboratory staff, administrative staff)

are involved to some extent in the programme among their other responsibilities. Information on actual salaries is not held centrally.

NORTHERN IRELAND

Member's Questions

Mr. Livingstone: To ask the Secretary of State for Northern Ireland on what date he intends to provide substantive replies to remaining questions put down by the hon. Member for Brent, East for answer on 26 and 28 April.

Mr. Stanley: Substantive replies will be provided as soon as possible.

Spirit of Enniskillen Bursaries

Sir John Biggs-Davison: To ask the Secretary of State for Northern Ireland if he will make a statement about the purpose, scope and funding of the Spirit of Enniskillen bursaries.

Dr. Mawhinney: In introducing this bursary scheme my aim is to capture for future generations of young people the spirit of forgiveness and tolerance which emerged following the tragic bombing in Enniskillen on Remembrance Sunday last year.

The scheme will give young people from Northern Ireland the opportunity to experience at first hand, in a country of their choice, how people from diverse backgrounds can live together in peace and harmony and then use the knowledge gained to foster better community understanding and tolerance at home.

I have provided a sum of £150,000 to the King George VI Memorial Council for investment, the income from which will be made available through the Youth Committee for Northern Ireland for the award of bursaries to mixed groups of Protestant and Catholic young people selected by a special panel which I shall appoint.

Between 24 and 30 young people will be selected—equally from across the religious divide—for bursaries each year.

The only condition I have set is that two places be earmarked each year exclusively for young people from the Enniskillen area, one from each tradition.

Irish Language

Mr. McGrady: To ask the Secretary of State for Northern Ireland (1) what percentage of secondary schools in Northern Ireland taught Irish in the academic years 1985-1986, 1986-1987 and 1987-1988;

(2) what percentage of grammar schools in Northern Ireland taught Irish in the academic years 1985-1986, 1986-87 and 1987-1988.

Dr. Mawhinney *[holding answer 16 May 1988]:* This information is not readily available for the 1985-86 and 1987-88 years and could be obtained only at disproportionate cost. In 1986-87, 39·4 per cent. of all secondary schools taught Irish — the figure for secondary intermediate schools being 38·4 per cent. and for grammar schools 41·9 per cent.

Mr. McGrady: To ask the Secretary of State for Northern Ireland whether a quota system operates in relation to students who wish to study Irish/Celtic studies as part of the Bachelor of Education degree course in Northern Ireland.

Dr. Mawhinney *[holding answer 16 May 1988]:* No. Quotas are operated only in relation to overall intakes; institutions determine the number of places to be offered in each subject, provided numbers meet normal viability criteria.

THE ARTS

Arts Consultants

Mr. Fisher: To ask the Minister for the Arts whether he will list the arts consultants that his Department has employed in each of the past five years, the projects on which they have worked and the cost per consultancy.

Mr. Luce *[holding answer 29 April 1988]:* The Office of Arts and Libraries was established in July 1983. I list the arts consultants employed by the Office of Arts and Libraries from 1984-85 to 1987-88.

Consultant, and initial year of consultancy	*Projects*	*Cost to arts programme* £
1984-85		
Mr. J. Gray	Support for the Library and Information Services Council Working Party on Manpower, Education, and Training Requirements for Library and Information Work.	2,000
Mrs. D. Edmonds	Research leading to publiction of 'Current Library, Co-operation and Co-ordination'	[1]13,650
Volunteer Centre	Survey of work of Volunteers in Museums and Galleries in the United Kingdom	11,400
Policy Studies Institute	Facts about the Arts II	[1]25,000
1985-86		
Charities Advisory Trust	Study and Preparation of the 'Museums Trading Handbook'.	[1]22,879
Museums Association	Museums Database Project	[1]85,600
Policy Studies Institute	Study of the Economic Importance of the Arts	[1]48,000
Mr. L. Brandes	An Efficiency Scrutiny of the National Film and Television School	[1]2,000
1986-87[2]		

Consultant, and initial year of consultancy	Projects	Cost to arts programme £
British Library Research and Development Department, and the Institute of Public Finance	Research leading to the publication of 'A Service Costing System for Public Libraries'.	[1] 22,000
Area Museums Service for South-Eastern England	Research and Preparation of 'Museums — The New Exams'	5,000
Oxfordshire County Council	Development of model computerised system to administer County Museums' Loan Services	6,200
1987-88[2]		
Library Association	Feasibility study into the restructuring of the National Committee on Regional Library Co-operation	2,500
Mr. C. Turner	Preparation of the Report for the Library and Information Services Council Role of Government Working Party	1,000
Mrs. D. Edmonds	Research into public library services for children and young people	7,622
British Library Research and Development Department, and King Research Ltd.	Development of a manual of performance indicators for public libraries	15,058
Museums Association	Review of museums' training needs	[1] 6,000
Mr. I. Gibb	Appraisal of the British Theatre Association Library's tasks	1,231
Mr. P. Collard	Research leading to report 'Arts and the Inner Cities'	5,900
Simmonds Consultancy	Art in Government Offices: Young Artists Project	1,380
British American Arts Association	Arts and City Planning	5,000
Mr. R. de Peyer	Research and preparation of the publication 'Museums Projects' (a Handbook for Volunteers Community Programme Work Experience and Temporary Staffs)	2,400
Policy Studies	Facts about the Arts III	[1] 40,000
Area Museums Service for South-Eastern England	Research and Preparation of 'Museums — The New Curriculum'	6,500

[1] Projects with expenditure in more than one year.
[2] Expenditure of £15,000 in 1986-87 and £20,000 in 1987-88 was incurred on promoting Library and Information Plans in selected authorities under the supervision of the British Library's Research and Development Department.

AGRICULTURE, FISHERIES AND FOOD

Wheat

Mr. Ralph Howell: To ask the Minister of Agriculture, Fisheries and Food, pursuant to the reply to the hon. Member for Great Grimsby (Mr. Mitchell) on 22 February, *Official Report*, columns *19-20*, if he will give the world price for *(a)* milling wheat and *(b)* other wheat, for each year since 1979.

Mr. Donald Thompson: There is no single world price for wheat. A wide range of prices are quoted, reflecting the different qualities of wheats of different origins. Where large surpluses exist actual trade may take place at prices lower than those quoted.

The figures are for Canadian Western Red Spring No. 1 (13·5 per cent.), a good quality hard milling wheat, and Argentinian Trigo Pan, a poorer quality wheat which may nevertheless in certain circumstances be used for milling. The figures are officially quoted export prices from those countries and thus do not include any shipping or transport costs or any import levies which may be payable when those grains are imported into other countries.

World wheat prices

£/tonne

Crop year (July-June)	Canadian	Argentinian
1979-80	89	86
1980-81	97	89
1981-82	107	97
1982-83	115	92
1983-84	131	94
1984-85	145	102
1985-86	126	71
1986-87[1]	95	56

[1] July to February.
Source: World Wheat Statistics 1987, published by the International Wheat Council; $ converted to £ at the average rate for the marketing year.

Mr. Ralph Howell: To ask the Minister of Agriculture, Fisheries and Food if he will state *(a)* the lowest and *(b)* the average price of imported wheat into the United Kingdom for each year since 1979, showing the quantity of all imported wheat in each of these years.

Mr. Donald Thompson: The annual quantity and value of all wheat imported into the United Kingdom between 1979 and 1987 are shown in the following table:

	Quantity ('000 tonnes)	Value (£'000)	Average Price £ 'tonne
1979	2,601	256,524	98·6
1980	2,256	232,606	103·1
1981	1,772	208,186	117·5
1982	1,554	182,003	117·1
1983	1,326	180,110	135·8
1984	1,123	168,283	149·9

	Quantity ('000 tonnes)	Value (£'000)	Average Price £ 'tonne
1985	1,614	230,130	142·6
1986	1,708	236,185	138·3
1987[1]	1,719	223,734	130·2

[1] Provisional.

The average price has been derived by dividing the quantity by the value. Data on the prices of consignments are not available and it is therefore not possible to determine the lowest yearly prices.

Near Market Research and Development

Mr. Steel: To ask the Minister of Agriculture, Fisheries and Food if he will publish the review being carried out in his Department on near market research and development; and if he will make a statememt.

Mr. Donald Thompson: I refer the right hon. Member to the replies given on 1 March, at column *546*, to the hon. Member for Bristol, South (Ms. Primarolo) and on 22 April, at column *587*, to the hon. Member for Aberdeen, South (Mr. Doran).

Orchard Replanting

Mr. Moss: To ask the Minister of Agriculture, Fisheries and Food if he has any plans to introduce a new scheme under the orchard replanting grant in time for this autumn's planting.

Mr. Donald Thompson: Growers were able to benefit from the very generous grants for orchard replanting which were available for the five years until March this year. We are aware of producers' desire for further grants and are considering their case.

Badgers

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food what progress his Department is making on the live testing of badgers for tuberculosis; and if he will make a statement.

Mr. Donald Thompson: Work is continuing at the Ministry's central veterinary laboratory. The results have so far been encouraging. The next step will be to apply the test to infected badgers under field conditions.

Chernobyl (Compensation)

Mr. Martlew: To ask the Minister of Agriculture, Fisheries and Food how many applications have been received from farmers in England other than Cumbria claiming to have suffered losses as a result of the Chernobyl disaster but who had not been compensated under the Government's scheme; when those applications were received and when considered; how many were rejected; and if he will make a statement on the general pattern of the defects in the applications which led to their rejection.

Mr. Donald Thompson: None.

Animal Medicines Licensing

Mr. Home Robertson: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the progress of the Government's consideration of the Cunliffe review of animal medicines licensing.

Mr. Donald Thompson: Organisations representing interests most likely to be affected by the review's recommendations have been asked to send me their comments. Meanwhile, we are giving urgent consideration to internal changes in organisation which would be necessary.

FOREIGN AND COMMONWEALTH AFFAIRS

Mr. Sidney Clark

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what actions have been taken by Her Majesty's embassy in Bangkok concerning the situation of Mr. Sidney Clark, held in prison in Thailand.

Mr. Eggar: Mr. Clark was imprisoned in Thailand from 23 May 1980 until 1 March 1988.

Throughout that time he received consular visits at intervals of between four and 10 weeks. Her Majesty's embassy provided facilities for the transfer of funds to him from family and friends. They also negotiated with prison authorities for improvement in his diet. In June 1984 arrangements were made for him to be seen by an embassy panel doctor. He was encouraged to paint and provided with canvasses and paints. Advice was tendered about his plea for a royal pardon. Counselling of a general nature was provided.

United Kingdom Citizens (Foreign Prisons)

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the total number of United Kingdom citizens known to his Department held in foreign prisons; and what guidelines govern visits by his officials to such prisoners.

Mr. Eggar: According to the most recent survey there were, on 10 May 1988, to the best of our knowledge, 1,268 British nationals detained in foreign prisons.

Standing instructions for British consular officers overseas are that British nationals should be visited as soon as possible after their arrest or detention. Thereafter, they should be visited at reasonable intervals, whether awaiting trial or serving a sentence (unless it has been made clear by the prisoner that visits are not required). Frequency of visits depends on the circumstances of a case, local prison conditions and the situation of a particular prisoner.

Burmah Endeavour

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the attack on the Burmah Endeavour in the Gulf; and what representations he has made to the Iraqi Government on this matter.

Mrs. Chalker: The Burmah Endeavour, a United Kingdom-registered vessel, was hit during an attack by Iraqi aircraft on Larak Island in the southern Gulf, at 0940 hours on 14 May. The ship was set on fire but not badly damaged. There were no casualties.

The Iraqi ambassador was summoned to the Foreign and Commonwealth Office on 17 May to receive a strong

protest about this premeditated, unprovoked and unlawful attack. Our ambassador in Baghdad will register a similar protest.

Philippines

Mr. Teddy Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will request the Government of the Philippines to supply a copy of the letter which that Government claim is a request from the British Broadcasting Corporation for an ambush to take place to publicise the activities of rebels in the area; and if he will make a statement.

Mr. Eggar: This is a matter for the BBC, which has, I understand, denied allegations of involvement in the ambush. I see no grounds for British Government intervention.

NATIONAL FINANCE

Building Societies Act 1986

Mr. Tim Smith: To ask the Chancellor of the Exchequer what progress has been made on the review of schedule 8 to the Building Societies Act 1986; and if he will make a statement.

Mr. Lilley: I have laid two draft orders before the House today. If these orders receive parliamentary approval and are made, the Building Societies Commission, with the consent of the Treasury, intends to make two further orders to complete the package. Copies of provisional drafts of these orders, together with a summary note of the intended provisions of all four orders, have been placed in the Library of the House.

The orders will implement the main conclusions of the review of schedule 8 to the Building Societies' Act 1986 which I outlined in my statement on 2 February, *Official Report*, columns *537-39*. The orders will do two things. They will recast schedule 8 so that it proscribes particular activities within certain broadly specified powers instead of banning everything except narrowly specified powers. And they will implement a wide-ranging extension of societies' powers to provide financial services, and effectively give societies the full scope permissible within the primary legislation.

The mainstream business of societies is, and must remain, that of raising funds from the public for lending on house purchase. But we believe that societies should be free to undertake activities which complement their mainstream business and to provide the wider range of finance services which customers now expect. Societies will, as at present, continue to provide services primarily to the personal sector, rather than to companies. The proposed measures will enable them to compete more effectively in their primary markets.

Societies will, therefore, subject to certain limited restrictions, be allowed:

(a) to own or take an equity stake in a life insurance company, and to take an equity stake in a general insurance company;
(b) to own or take an equity stake in stockbrokers;
(c) to undertake fund management including management of unit trusts generally (rather than just for the provision of pensions, as at present);
(d) to offer a wider range of banking and housing related services than hitherto.

The draft Commercial Assets and Services Order which was laid today will replace schedule 8 to the Act with a completely new schedule 8 which will provide six broad service powers:

Investment services
Insurance services
Banking services
Trusteeship
Executorship
Land services

A society will then be able to provide any service within those general areas unless it is specifically precluded or restricted by other parts of the schedule.

Societies may need to hold new forms of asset to undertake a wider range of business. This order therefore contains provision for societies to hold leasable chattels (to undertake leasing and hire purchase), residual mortgage debts (to enable them to repurchase the residue of a securitised pool of their mortgages), mortgage finance rights (mortgage backed securities, and similar instruments) and bridging debts (to enable societies more readily to provide temporary bridging finance for house purchase).

The Building Societies Commission is prepared to examine the possibility of making an order to allow societies to acquire mortgages from other lenders. This will be the subject of further consultation with the Building Societies Association in due course. There are also a number of matters which are consequential to this review. For example, the Commission will be consulting interested parties on the proposed scope of an order to extend the required coverage of the Building Societies Ombudsman scheme to reflect the wider scope of societies' activities as a result of these orders.

To provide societies with the necessary scope to offer the wider range of services it is proposed to increase the commercial asset limits in the draft limits on commercial assets order which I also laid today. This proposes an increase in the class 2 and 3 limits to 17½ and 7½ per cent., respectively in January 1990, to 20 and 10 per cent., respectively in January 1991 and a further increase to the maximum extent possible within the primary legislation (that is 25 and 15 per cent. respectively), in January 1993.

Subject to parliamentary approval of these orders, the Building Societies Commission will make a designation of qualifying bodies order to allow societies to invest in or support new subsidiaries to provide the schedule 8 services. They will also, as previously announced, make in due course a limits on lending order to increase the unsecured lending limit to individals to £10,000. I do not expect any substantial changes to these orders from the provisional drafts placed in the Library.

These proposals are a substantial step forward in building society development. They will give societies the freedom to develop and compete across a wide range of financial services business.

Government Data Network Project

Mr. Haselhurst: To ask the Chancellor of the Exchequer if, following the response of the Paymaster General to the Adjournment debate on 25 February, *Official Report*, columns 550-54, he is able to announce any further progress on the Government data network project.

Mr. Brooke: The Government have examined the feasible options for meeting the foreseen data communications needs of four major Departments (Department of Health and Social Security, Inland Revenue, HM Customs and Excise and Home Office). The costs of these have been compared with the costs of meeting these requirements through a Government data network (GDN). This was based on tenders received in March from the three consortia (Computer Services Company/British Telecom, Racal-Scicon and Cable and Wireless/International Computers Ltd. (known as ICONS)). The comparison showed that, over 10 years, a GDN would be significantly cheaper than the alternatives, even before taking account of the superior service and greater security offered by a GDN.

The Government have therefore decided to proceed with the Government data network.

The three competing tenders for the GDN have been comprehensively evaluated and the Government intend to award the contract for the GDN service to Racal-Scicon Ltd., subject to final agreement of terms.

As I explained to the House on 25 February, at column *547*, we have drawn on the most appropriate technical expertise available in both Government and the private sector in designing the arrangements for security and privacy for the GDN service. We have ensured that the Data Protection Registrar has been kept in touch with plans and that he is content with them. We have also kept Oftel informed during the procurement.

Acceptance testing of the service, using the HM Customs and Excise VALID (VAT Access and Local Input of Data) application system is expected to begin by the end of the year. An operational GDN service will be available early next year.

Personal Taxation

Mr. Gordon Brown: To ask the Chancellor of the Exchequer (1) if he will give the number of people who have no income declared for tax purposes other than unearned income by their highest marginal rate of tax in 1987-88;

(2) if he will give for 1987-88 the number of people paying tax at (i) 60 per cent., (ii) 55 per cent., (iii) 50 per cent., (iv) 45 per cent. and (v) 40 per cent. who derive *(a)* 100 per cent., *(b)* 90 to 100 per cent., *(c)* 75 to 100 per cent. and *(d)* 50 to 100 per cent. of their income from unearned income.

Mr. Norman Lamont *[holding answers 18 April 1988]:* Estimates of tax-paying tax units who derive more than half their income from investment are given in the table. All estimates are subject to considerable uncertainty because they are based on a projection of the 1985-86 survey of personal incomes. Also, the data from the survey on investment income have been adjusted to allow for investment income not reported to tax offices, for example where basic rate liability is satisfied by deduction of tax at source. Estimates for basic rate taxpayers are therefore particularly tentative.

Number of tax units[1] with investment income[2] by marginal rate of tax, 1987-88[3]

Marginal rate per cent.	*Percentage of total income derived from investment income*			
	100 per cent. thousands	*90-100 per cent. thousands*	*75-100 per cent. thousands*	*50-100 per cent. thousands*
27	60	80	170	500
40	1	5	11	23
45		6	14	32
50	2	6	9	21
55		3	7	18
60	1	9	21	30

[1] Married couples and single persons.
[2] Excluding pensions.
[3] Treating all investment income as though it were received gross and subject to the individual's appropriate marginal rate.

Mr. Gordon Brown: To ask the Chancellor of the Exchequer (1) if he will give figures at 1988-89 prices in the form of tables 1 and 2 of the Inland Revenue press release dated 15 March on independent taxation of husbands and wives classified by joint income of husbands and wives, giving figures for joint incomes of *(a)* up to £5,000, *(b)* £5,000 to £10,000, *(c)* £10,000 to £15,000, *(d)* £15,000 to £20,000, *(e)* £20,000 to £25,000, *(f)* £25,000 to £30,000, *(g)* £30,000 to £50,000, *(h)* £50,000 to £75,000, *(i)* £75,000 to £100,000 and *(j)* over £100,000, giving the total reduction in tax for each range of joint income;

(2) if he will give figures for the total reduction in tax separately for husband and wife at 1988-89 prices in the form of tables 1 and 2 of the Inland Revenue press release dated 15 March on independent taxation of husband and wife, classified by joint incomes of husbands and wives, giving figures for joint incomes of *(a)* up to £5,000, *(b)* £5,000 to £10,000, *(c)* £10,000 to £15,000, *(d)* £15,000 to £20,000, *(e)* £20,000 to £25,000, *(f)* £25,000 to £30,000, *(g)* £30,000 to £50,000, *(h)* £50,000 to £75,000, *(i)* £75,000 to £100,000 and *(j)* over £100,000;

(3) if he will give figures for the total reduction in tax separately for husband and wife for 1988-89 on the assumption that the independent taxation provisions were operative for 1988-89, in the form of tables 1 and 2 of the Inland Revenue press release dated 15 March on independent taxation of husband and wife, classified by joint incomes of husbands and wives, giving figures for joint incomes of *(a)* up to £5,000, *(b)* £5,000 to £10,000, *(c)* £10,000 to £15,000, *(d)* £15,000 to £20,000, *(e)* £20,000 to £25,000, *(f)* £25,000 to £30,000, *(g)* £30,000 to £50,000, *(h)* £50,000 to £75,000, *(i)* £75,000 to £100,000 and *(j)* over £100,000, stating the number of husbands and wives falling within each income group.

Mr. Norman Lamont *[holding answers 29 April and 9 May 1988]:* Available estimates are given in the tables. The reductions in income tax liability relate to a full year at 1990-91 projected levels of income. The 1988 Budget proposals for income tax rates and allowances have been indexed to 1990-91 according to the statutory formula. They are on a consistent basis with the estimates of the direct revenue costs of independent taxation given in the 1988 Financial Statement and Budget Report and the estimates in section 5 of the press release on independent taxation. I regret that reliable estimates for detailed ranges of income above £50,000 per year are not available, as estimates are based on a projection of the 1985-86 survey

of personal incomes. All estimates are provisional and subject to considerable uncertainty. Estimates at 1988-89 levels of income are not available.

Table 1
Married couples with reductions in tax liability by total income of husband and wife

Total income of husband and wife £00	Non aged Number 000	Non aged Total reduction £ million	Aged Number 000	Aged Total reduction £ million	All Number 000	All Total reduction £ million
0-5	—	—	—	—	—	—
5-10	50	10	400	90	450	100
10-15	80		190	60	270	60
15-20	40	—	130	50	170	50
20-25	30	10	60	10	90	20
25-30	50	10	40	20	90	30
30-50	600	210	60	50	660	260
50+	160	100	30	50	190	150
All	1,010	340	910	330	1,920	670

Table 2
Husbands with reductions in tax liability by total income of husband and wife

Total income of husband and wife £'000 £000	Non aged Number 000	Non aged Total reduction £ million	Aged Number 000	Aged Total reductions £ million	All Number 000	All Total reductions £ million
0–5	—	—	—	—	—	—
5–10	—	—	—	—	—	—
10–15	—	—	60	10	60	10
15–20	—	—	50	10	50	10
20–25	—	—	—	—	—	—
25–30	—	—	—	—	—	—
30–50	260	120	10	10	270	120
50+	90	50	10		100	60
All	350	170	130	30	480	200

Table 3
Wives with reductions in tax liability by total income of husband and wife

Total income of husband and wife £000	Non aged Number '000	Non aged Total reductions £ million	Aged Number '000	Aged Total reductions £ million	All Number '000	All Total reductions £ million
0-5	—	—	—	—	—	—
5-10	50	10	400	90	450	100
10-15	90		180	50	270	50
15-20	40	10	130	40	170	40
20-25	30		50	10	80	20
25-30	50	10	40	20	90	30
30-50	370	90	50	50	420	140
50+	90	50	30	40	120	90
All	720	170	880	300	1,600	470

Notes:
1. Table 2 assumes that before Independent Taxation the wife's income is the top slice of the husband's income.
2. Estimates are given to the nearest 10,000 taxpayers or £10 million tax. Some groups in the tables have been aggregated to provide estimates and a dash is used to denote fewer than 5,000 taxpayers or less than £5 million tax.
3. Aged taxpayers are where either the husband or the wife is aged 65 or over.

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will give for 1987-88 and 1988-89 by the highest marginal rate of income tax for 1987-88 (i) the number of tax units in receipt of unearned income and (ii) to total tax levied on unearned income under the tax rates operating in 1987-88 and 1988-89.

Mr. Norman Lamont *[holding answer 18 April 1988]:* Estimates of the numbers of tax-paying tax units in receipt of investment income are in the table. All estimates are uncertain because they are based on a projection of the 1985-86 survey of personal incomes. Also, the data on investment income from the Survey have been adjusted to allow for investment income not reported to tax offices, for example where basic rate liability is satisfied by

deduction of tax at source. Figures for the number of basic rate taxpayers with investment income in the table therefore provide only a guide to the order of magnitude.

The tax liability on investment income for 1987-88 and 1988-89 is estimated at £6·2 billion and £6·3 billion respectively. The 1988-89 estimate assumes that the 1988 Budget proposals for income tax rates and allowances are implemented. In the calculation, investment income has been treated as the top slice of income and all investment income taxed as though it were received gross and subject to the individual's appropriate marginal rate of tax.

Tax units[1] in receipt of investment income [2] by marginal rate of income tax

Marginal rate of income tax *Per cent.*	*Number of tax units[1] in 1987-88* *('000)*	*Number of tax units[1] in 1988-89[3]* *('000)*
27	9,500	10,000
40	280	320
45	265	290
50	175	215
55	85	95
60	130	155
Total	10,500	11,000

[1] Married couples and single persons.
[2] Excluding pensions.
[3] Assuming the 1987-88 tax regime has been indexed to 1988-89.

Central Office of Information

Mr. Blair: To ask the Chancellor of the Exchequer when the Central Office of Information was removed from the ministerial responsibility of the Paymaster General; and how the change was announced.

Mr. Lawson *[holding answer 18 May 1988]:* I transferred delegated ministerial authority for the COI from the Paymaster General to the Economic Secretary to the Treasury on 1 March.

Taxation

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will deposit in the Library details of the methodology used to assess rates, value added tax and other indirect taxes in his answer to the hon. Member for Dumfermline, East on 19 April, *Official Report*, columns *417-8*.

Mr. Norman Lamont *[holding answer 29 April 1988]:* In summary the methodology is:

(i) Average earnings for each financial year are derived from the New Earnings Survey series for "full time males on adult rates, whose pay for the survey pay-period was not affected by absence". The series for years before 1983 has to be adjusted to take account of a change in definition in that year. The series is projected from 1986-87 to 1988-89 using the assumptions provided to the Government Actuary and reported in chapter 3 of the Autumn Statement 1987.

For each multiple of average earnings:

(ii) Income tax liability is calculated using the personal allowances, income tax rates and thresholds for the appropriate year. The man is assumed to claim no allowances or reliefs other than the relevant basic personal allowance and, where appropriate, child tax allowances.

(iii) National insurance contributions (NIC) are calculated using the lower earnings limit, the upper earnings limit and, in relevant years, the limits on reduced rate NIC bands for the financial year. The NIC rates used are those for a man not contracted-out of SERPs.

(iv) Child benefit is calculated using the rate in force for the financial year. Where the rate changes during the financial year, a financial year average s calculated, taking account of the number of weeks of the financial year for which each rate applied.

(v) Disposable income is calculated as the sum of gross earnings and child benefit, less income tax and NIC.

(vi) Ten per cent. of disposable income is assumed to be saved. This simplifying assumption is needed as indirect taxes are calculated by reference to expenditure, rather than disposable income (see vii). The same assumption is used for all years so that changes in indirect taxes reflect changes in the tax regime, rather than changes in savings behaviour.

(vii) Payments of VAT, each of the Customs and Excise duties, vehicle excise duty, domestic rates and other indirect taxes including intermediate taxes such as employers' NIC are estimated using regression equations derived from the 1985 Family Expenditure Survey (FES). These relate indirect taxes paid to expenditure; they are simple linear equations with a constant term and expenditure as the independent variable.

There are separate equations for different family types to reflect their varying expenditure patterns. Separate VAT equations are developed to reflect changes in VAT coverage since 1978-79 (two rates of VAT in 1978-79 and the extension of the VAT base from 1984-85 onwards).

The equations are developed from the middle 80 per cent. of observations in the FES to avoid possible distortion caused by inclusion of extreme values. The equations cannot be used outside the range of expenditure from which they are developed and this restriction is implemented by only estimating indirect tax payments within the range of three quarters to one and a half times average earnings.

The equations developed from the FES are at the prices and levels of consumption of that FES (currently 1985). They are therefore scaled backwards and forwards from 1985 to financial years between 1978-79 and 1988-89 taking account of changes in total consumption and changes in revenue from the individual tax.

Payments of individual indirect taxes, or groups of indirect taxes, by a particular family type at a given level of earnings are calculated by putting their spending level derived from (v) and (vi) into the appropriate equations.

A more detailed explanation could be provided only at disproportionate cost.

ENVIRONMENT

National Mobility Scheme

Mr. French: To ask the Secretary of State for the Environment if he is satisfied with the operation of the national mobility scheme; and if he will make a statement.

Mrs. Roe: Yes. The national mobility scheme is voluntary, but nearly all local authorities participate and I welcome the wholehearted support of the local authority associations; their representatives, together with those of other participating bodies, form the steering committee which oversees and monitors the scheme. With over 47,000 moves achieved since 1981-82, the scheme makes a valued contribution to housing mobility.

Channel Tunnel

Mr. Warren: To ask the Secretary of State for the Environment what action is he taking to ensure that planning permission is withheld for development in locations where improvements to the railway infrastructure may be required for Channel tunnel traffic.

Mr. Waldegrave: Applications for planning permission are, in the normal course of events, dealt with by the local planning authorities, who are required to have regard to the provisions of the development plan and to any other material considerations. My right hon. Friend becomes involved only if he calls in an application for his own decision, or if the matter is referred to him on appeal.

Proposals for the improvement of railway infrastructure would be a material consideration in deciding a planning application or appeal if they were relevant in any particular case. The weight to be given to them would depend inter alia on the likelihood that the railway proposals would be pursued.

Council Housing (Defects)

Mr. Corbett: To ask the Secretary of State for the Environment whether he will give the number and type of defective properties in each of the 75 local authorities, by name, which were given additional housing investment programme resources of £20 million under housing defects legislation on 12 May; and what is the number and type of defective properties still in the ownership of each of these local authorities.

Mrs. Rae: This is not readily available. We are updating the information, in the House Library, on the distribution of properties designated under the housing defects legislation, broken down by local authority and property type. I shall let the hon. Gentleman know as soon as that work has been completed. Meanwhile, the House Library contains local authorities' own HIP returns for 1987, giving total numbers of designated properties in local athority and private ownerships, though these figures are not broken down by house type.

Rating Reform

Mr. Tony Banks: To ask the Secretary of State for the Environment what is his Department's latest estimate for the costs to local authorities associated with *(a)* the setting up and *(b)* the administration of the poll tax.

Mr. Howard: These are being considered in a study being undertaken by Price Waterhouse on which I am expecting a report shortly.

Dr. Cunningham: To ask the Secretary of State for the Environment when he expects to receive the Price Waterhouse report on administering the community charge; and if he will announce the arrangements he is making to disseminate the report.

Mr. Ridley: I am expecting to receive the report this month and will announce arrangements for disseminating its findings when I have studied it.

Environmental Research and Protection

Mr. Simon Hughes: To ask the Secretary of State for the Environment if he will give figures in real terms at 1987 prices for his Department's expenditure on environmental research and protection in total and broken down into expenditure related to *(a)* radioactive waste, *(b)* air pollution, *(c)* water and *(d)* countryside for each year since 1974 for which figures are available.

Mr. Ridley: The only information immediately available relates to 1985-86 and subsequent years. I shall provide information for earlier years, in so far as it is available without disproportionate effort, as soon as possible.

Following is the information:

£ million at 1987-88 prices

	1985-86	*1986-87*	*1987-88*
Radioactive waste	12·2	11·4	9·9
Air pollution	3·8	4·7	4·7
Water	3·6	3·7	3·5
Countryside	0·5	0·8	0·8
Other environmental protection	2·3	2·8	2·4
Totals	22·4	23·4	21·3

Figures prior to 1987-88 do not include expenditure by the Industrial Air Pollution Inspectorate which became part of Her Majesty's Inspectorate of Pollution, within my Department on 1 April 1987.

Departmental Staff

Mr. Simon Hughes: To ask the Secretary of State for the Environment if he will give figures for the number of staff in his Department assigned to Her Majesty's Inspectorate of Pollution since 1987 and to *(a)* the Building Research Establishment, *(b)* statistical services and *(c)* water topics for each year since 1983, and for the total staff of his Department for each year since 1974 for which figures are available.

Mr. Ridley: The number of staff assigned to Her Majesty's Inspectorate of Pollution since 1987 is 149 at 1 April 1987 and 182 at 1 April 1988.

The numbers of staff assigned to the Building Research Establishment, statistical services and water topics for each year since 1983 are as follows:

Command	*1 April 1983*	*1 April 1984*	*1 April 1985*	*1 April 1986*	*1 April 1987*	*1 April 1988*
Building Research Establishment	843	791·5	770·5	762·5	732	737
Statistical Services	132	132	124·5	121	120	121
Water Topics	90	93	93	101	106·5	109

The table shows total staff in DOE(C) for each year since 1979. The information is not readily available for earlier years.

Department of the Environment (Central)
Staff numbers from 1 April 1979 to 1 April 1988

Year	*Staff in Post*
1 April 1979	11,217
1 April 1980	10,530
1 April 1981	9,821
1 April 1982	8,771
1 April 1983	7,813
1 April 1984	6,605
1 April 1985	6,561
1 April 1986	6,521
1 April 1987	6,488
1 April 1988	6,566

Written Answers to Questions

Friday 20 May 1988

NATIONAL FINANCE

Debt Provision

Mr. Tom Clarke: To ask the Chancellor of the Exchequer if he will publish a table in the *Official Report* showing, for each year from 1973 to 1987, the average interest rate for six-month Eurodollar variable debt.

Mr. Lilley: The information requested is set out in the table.

Six month Eurodollar interest rates
(Per cent. per annum)

Year	*Per cent.*
1973	9·3
1974	11·1
1975	7·6
1976	6·1
1977	6·4
1978	9·4
1979	12·0
1980	14·1
1981	16·5
1982	13·2
1983	9·8
1984	11·0
1985	8·5
1986	6·6
1987	7·2

Source: Bank of England

Pound Sterling

Mr. Pike: To ask the Chancellor of the Exchequer what representations he has received from manufacturing industries in the last 12 months about the value of the pound; what industrial categories such representations have been received from; and if he will make a statement.

Mr. Lilley: My right hon. Friend has received a number of such representations.

Own Resources

Mr. Boswell: To ask the Chancellor of the Exchequer if he will make a statement about early payment of non-value added tax own resources to the European Communities in May.

Mr. Brooke: The European Commission estimates that its spending obligations in June will exceed its available revenues under the provisional twelfths regime. In accordance with article 10(2) of Council regulation 2891/77, the Commission has requested member states to advance from June the payment of own resources, other than VAT, in respect of agricultural, sugar and isoglucose levies and customs duties collected by the Government on its behalf.

The Government are satisfied that this request is within the vires of article 10(2) and accordingly will make a payment today, 20 May, of £153 million from the Consolidated Fund under section 2(3) of the European Communities Act, 1972. The payment of levies and duties on 20 June will be reduced by the amount of the advance.

The article 10(2) facility does not affect the total amount which the Community is authorised to spend during the year. The Commission's request does not, therefore, involve any net addition to public expenditure.

VAT

Mr. Madden: To ask the Chancellor of the Exchequer if he will seek to extend the category of those able to acquire a wheelchair exempt from value added tax to include elderly people who are unable to walk.

Mr. Lilley *[holding answer 16 May 1988]:* Wheelchairs are zero-rated for VAT purposes when supplied to a handicapped person. Anyone who is permanently unable to walk will qualify for this relief.

ATTORNEY-GENERAL

Welsh Language

Mr. Wigley: To ask the Attorney-General what is his policy with regard to dealing with individuals and bodies in Wales who wish to communicate with the Law Officers' Departments through the medium of the Welsh language.

The Attorney-General: It is the policy of the Lord Chancellor's Department to facilitate communication through the medium of the Welsh language, so far as is reasonably possible, and to that end Courts and offices for which the Lord Chancellor is responsible and which do not have access to a Welsh speaker are able to take advantage of an arrangement with the Welsh Office to provide a translation service.

My own Department has no facilities for translating communications received in Welsh, and in those circumstances my officials would seek advice from the Welsh Office.

Wright Memoirs

Mr. Kennedy: To ask the Attorney-General if he will estimate the total current cost of the pursual of the legal cases to prevent publication of the Wright memoirs; and if he will make a statement.

The Attorney-General: In the "Spycatcher" litigation here and in Australia, New Zealand and Hong Kong, the total amount of costs expended to date by the Government is about £787,000.

Legal Aid

Mr. Corbett: To ask the Attorney-General what is the establishment, by grade, of the legal aid area office, Birmingham; and how many people are presently in place.

The Attorney-General: Staffing levels in the individual area offices are the responsibility of the legal aid administration of the Law Society. There is no formal establishment figure, but I understand that there are 79·5 members of staff in post with one unfilled vacancy at administrative officer level.

Mr. Corbett: To ask the Attorney-General what is the average time taken by the legal aid area office, Birmingham, to deal with applications for legal aid; and what were the equivalent figures one and two years ago.

The Attorney-General: The latest figures available are published in appendix 2G of the 37th legal aid annual reports. These show that, for legal aid area No. 6, it took an average 78·13 days (actual, not working) from receipt of a legal aid application to the issue of a certificate during the financial year 1986-87. The equivalent figure for 1985-86 was 50·89 days. Prior to 1985-86, figures for individual area offices are not available.

Mr. Corbett: To ask the Attorney-General when he expects the legal aid area office, Birmingham, to make a decision upon an application on behalf of Mr. John Walker, reference No. 06018805154 QB3 which was submitted in February and acknowledged on 15 March; and what are the reasons for the time taken to deal with this application.

The Attorney-General: I understand from the legal aid administration of the Law Society that Mr. Walker's application is being processed in the normal way, and that a decision will be made on the application imminently.

GEC/Marconi

Mr. Fraser: To ask the Attorney-General if he has decided whether a prosecution will take place following the investigation by the Ministry of Defence police into certain conduct of GEC/Marconi.

The Attorney-General: The investigation to which the hon. Member refers is not yet complete. It is being conducted in conjunction with the Serious Fraud Office. The director of the Serious Fraud Office will decide in due course whether any criminal proceedings should be instituted.

HOME DEPARTMENT

Prisoners

Mrs. Ann Taylor: To ask the Secretary of State for the Home Department how many women were in prison mother-and-baby units on the most recent convenient date.

Mr. Douglas Hogg: On 13 May, there were 70 women in prison mother-and-baby units.

Mrs. Ann Taylor: To ask the Secretary of State for the Home Department (1) what proportion of sentenced male and female prisoners, respectively, on the most recent convenient date had not served a previous custodial sentence;

(2) what proportion of sentenced males and females under 21 years who were received into prison in the most recent convenient year had not previously served a custodial sentence;

(3) what proportion of sentenced males and females under 21 years in custody on the most recent convenient date had not previously served a custodial sentence;

(4) what proportion of sentenced males and females under 21 years received into custody in the most recent convenient year had not previously served a custodial sentence.

Mr. Douglas Hogg: The information requested is not recorded centrally. The readily available statistics relate to all previous convictions and are published annually in "Prison Statistics England and Wales" (tables 3.5, 3.11, 4.3, 4.10, 5.3 and 5.10 of the latest volume, for 1986, (Cm. 210)), copies of which are in the Library.

Civil Defence (Regional Government)

Mr. Redmond: To ask the Secretary of State for the Home Department what recommendations he has received to improve procedures for the operation of regional government headquarters in wartime following the civil defence region No. 2 REGEX exercise; and if he will place a copy of the post-exercise report in the Library.

Mr. John Patten: The exercise is being evaluated, but it is not the practice to give details of these wartime arrangements.

Welsh Language

Mr. Wigley: To ask the Secretary of State for the Home Department what is his policy with regard to dealing with individuals and bodies in Wales who wish to communicate with his Department through the medium of the Welsh language.

Mr. Hurd: The Department has standing arrangements for translating and dealing with the small amount of correspondence received in Welsh.

Concessionary Television Licences

Mr. Roy Hughes: To ask the Secretary of State for the Home Department if he has any plans to issue a circular to local authorities in Wales on the implications of the outcome of Newport's scheme to provide cheap television licences to pensioners.

Mr. Renton: No.

Mr. Roy Hughes: To ask the Secretary of State for the Home Department if he will circularise to all Welsh local authorities information advising them of the rules by which certain accommodation for elderly people can be adapted so that they can benefit from concessionary television licences.

Mr. Renton: No. Guidance on the requirements for eligibility for the accommodation for residential care licence is available on demand from the National TV Licence Records Office.

Mr. Poonawalla Hatimbhai

Mr. Soley: To ask the Secretary of State for the Home Department when he expects to give a substantive reply to the letter from the hon. Member for Hammersmith of 2 February, concerning the case of Mr. Poonawalla Hatimbhai (Home Office Ref.: P336477/2(s)); and if he will make a statement on the reasons for the delay in dealing with this case.

Mr. Renton: I replied to the hon Member's letter on 7 March indicating that further inquiries into Mr. Poonawalla's case would be required. These inquiries have now been completed, and a decision has been taken to grant the application. The time taken to deal with this case arose from the need to ensure that Mr. Poonawalla's application met the requirements of the immigration rules, and I am satisfied that there was no unnecessary delay.

National Lottery

Mr. Burns: To ask the Secretary of State for the Home Department what proposals he has to amend the Lotteries Act 1976 to allow the establishment of a national lottery; and if he will make a statement.

Mr. John Patten: We are aware of interest in the idea of a national lottery in the light of recent developments and will continue to keep the position under review.

Foreign Visitors

Mr. Madden: To ask the Secretary of State for the Home Department how many visitors by nationality *(a)* arrived in the United Kingdom, *(b)* were admitted, *(c)* were required to submit to secondary examination and *(d)* were refused leave to enter for each month from January 1987 to the nearest available date.

Mr. Renton *[holding answer 3 May 1988]:* I have today written to the hon. Member enclosing in tabular form the available information requested. A copy of the letter has been placed in the Library.

OVERSEAS DEVELOPMENT

UN Relief and Works Administration

Ms. Richardson: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has as to which Governments in the most recent year for which the figures are available, contributed to the funds of the United Nations relief and works administration, and as to how much each such Government contributed.

Mr. Chris Patten: This information is contained in annex I of the addendum to the report of the Commissioner General of the United Nations Relief and Works Agency of October 1987, UN Official Record No. A/42/13/Add I, copies of which have been deposited in the Library of the House.

Falkland Islands

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the projects undertaken in the Falkland Islands to promote economic development which have received financial support from the United Kingdom and the extent of that support in each case to date at current and 1988 prices.

Mr. Chris Patten: Following is the information:

£ thousands

Project	*Total expenditure to 31 March 1988*	
	At current	*At 1987-88 prices (using GDP deflators)*
Falkland Islands Development Corporation	7,234	7,588
Land Transfer	2,500	2,718
Port Stanley Electricity	3,855	4,243
Port Stanley Water	1,617	1,658
Fuel Depot	43	43
School Hostel	1,211	1,392
Foxbay Electricity	72	82
Stanley-Mount Pleasant Airport Road	1,359	1,562
Camptracks	197	200
Wool Mill	32	37
Computers	45	45
Technical Cooperation	8,180	8,918
Hospital	5,947	6,322
Stanley Airport Road	262	272
Brewster Housing	6,960	8,551
Stanley Roads	2,500	3,081
Repairs/Replacements	5,151	6,324

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what has been the total cost to date of civilian projects undertaken by the Government in each year since the end of the war in the Falkland Islands at both current and 1988 prices.

Mr. Chris Patten: Following is the information:

£000s

Financial year	*Current prices*	*1987-88 Prices*[2]
1982-83	9,429	11,842
1983-84	6,037	7,243
1984-85	7,005	8,052
1985-86	8,509	9,226
1986-87	9,683	10,168
1987-88[1]	6,502	6,502
Total	47,165	53,033

[1] Provisional.
[2] Using GDP deflators.

Vietnam

Mr. Mullin: To ask the Secretary of State for Foreign and Commonwealth Affairs what response has been given to the request on 14 April from the Government of Vietnam for assistance with the serious food shortage arising from the recent drought in northern Vietnam.

Mr. Chris Patten: The request is under consideration by the European Community and international agencies. We shall not be making any bilateral response.

PRIME MINISTER

Parliamentary Questions

Mr. Cohen: To ask the Prime Minister if she will ensure that Ministers answering parliamentary questions by reference to previous answers enclose copies of such answers to the hon. Member asking the question.

The Prime Minister: My usual practice in such cases is to enclose copies of previous answers. I shall arrange for the hon. Gentleman's concern to be drawn to the attention of Departments generally.

Ministerial Statements

Dr. Thomas: To ask the Prime Minister if she will set out her policy with regard to the making of statements about information reported on television, radio, or in the press and magazines.

The Prime Minister: Each case is decided on its merits.

Welsh Language

Mr. Wigley: To ask the Prime Minister (1) what co-ordination takes place between all those Government Departments which operate in Wales concerning their use of the Welsh language when dealing with the public;

(2) what guidelines exist concerning the use of the Welsh language when dealing with the public by those Government Departments which have responsibility for aspects of the Government's work in Wales.

The Prime Minister: It is for each Department to decide how it responds to correspondence and deals with the public. Departments with offices in Wales seek to ensure that suitable arrangements exist so that letters written in Welsh are replied to in Welsh.

Mr. Wigley: To ask the Prime Minister what is her policy with regard to dealing with individuals and bodies in Wales who wish to communicate with those offices for which she has direct ministerial responsibility through the medium of the Welsh language.

The Prime Minister: To refer the communication to the Welsh Office.

Mrs. Margaret Harris (Letter)

Mr. Terry Lewis: To ask the Prime Minister when she expects to reply to Mrs. Margaret Harris, of the Helping Hands Homecare Agency, 61 Hilltop road, Worsley in response to questions raised in her letter dated 12 March.

The Prime Minister: Following my usual practice with regard to such matters, I have asked the relevant Department, Her Majesty's Customs and Excise, to reply to Mrs. Harris as soon as possible.

SOCIAL SERVICES

Child Mortality Rates

Mr. Tony Lloyd: To ask the Secretary of State for Social Services what are the child mortality rates both at birth and within a month of birth, in Trafford, Sheffield, Wandsworth, West Lambeth and North Lincolnshire health authorities; what is the number of registered nurses in special care baby units per 100 low birthweight births in those authorities; and if he will make a statement.

Mrs. Currie: The information requested is in the table.

1986	*Rates per 1,000 births*		*Registered nurses and midwives in special care baby units at 30 September 1986*
District Health Authority	*Still births per 1,000 live and still births*	*[1]All neo-natal deaths per 1,000 live births*	*[2]Whole-time equivalent per 100 low weight births*
Trafford	5·9	4·2	[3]1·4
Sheffield	6·1	4·7	6·7
Wandsworth	4·4	4·1	7·5
West Lambeth	4·2	4·6	8·8
North Lincolnshire	6·7	3·1	[3]1·9

Sources: OPCS; DHSS Annual Census of NHS non-medical manpower.

[1] Neonatal deaths are deaths within 28 days.

[2] Calculated on unrounded whole-time equivalent staff in post and number of births.

[3] Trafford and North Lincolnshire health authorities export cases to other districts as they have limited neo-natal intensive care facilities. (North Lincolnshire has zero intensive care cots;

Social Security Reform

Mr. Boateng: To ask the Secretary of State for Social Services if his Department has published or intends to publish statistics outlining the impact of the social security changes on the Afro-Caribbean and Asian communities.

Mr. Portillo: It is not possible to give the information requested. No information on ethnic minorities is contained in the national census, the annual family expenditure survey or DHSS administrative statistics.

Mr. Boateng: To ask the Secretary of State for Social Services if his Department has published or intends to publish statistics outlining the impact of the social security changes on people resident in *(a)* the inner cities, *(b)* the Greater London area and *(c)* Brent, South constituency.

Mr. Portillo: I regret that statistically reliable estimates for the areas requested cannot be provided.

Mr. Churchill: To ask the Secretary of State for Social Services if, further to his reply to the hon. Member for Davyhulme of 22 March, *Official Report*, column *88*, he will make a statement on the progress made in amending the social security rules.

Mr. Portillo: We shall be considering proposals in the near future.

Departmental Staff (Burnley)

Mr. Pike: To ask the Secretary of State for Social Services what is the designated staff level for his Department's Burnley office for the current year; how many staff were in post on 1 April; what were the comparable figures for 1987 and 1986; and what is the comparable work load position for the same period.

Mr. Portillo: The information requested is as follows:

Complement

	Staff
1986-87	212
1987-88	236
1988-89	210·5

Staff in Post

	Staff
1 April 1986	214·5
1 April 1987	211
1 April 1988	226·5

The latest caseload counts, based on a 100 per cent. count of all cases in action, and the corresponding figures for previous yars are as folows:

	17 December 1985	*16 December 1986*	*17 November 1987*
Supplementary benefits live load	16,308	16,772	15,701
Short term benefits live load	6,660	6,851	7,054

Comparable figures are not available for the full range of contributory benefits.

The 1987 work load figures are provisional and subject to amendment.

Direct comparisons between the numbers of staff and the live load are misleading as workloads vary considerably by type and duration of claim and the action that has to be taken. All these factors vary over time as a result of legislative, policy and procedural changes.

Income Support

Mr. Allen: To ask the Secretary of State for Social Services whether young people in full-time education who have become aged 19 years after 11 April are entitled to income support; and whether their parents are able to claim income support for them.

Mr. Portillo: People of 19 years and over in full-time education are treated as students for social security purposes. Disabled students, and lone-parent students, are eligible for income support throughout the year. Other students can claim only during the summer vacation. Parents cannot claim income support dependency additions for a person aged 19.

Welsh Language

Mr. Wigley: To ask the Secretary of State for Social Services what is his policy with regard to dealing with individuals and bodies in Wales who wish to correspond with his Department through the medium of the Welsh language.

Mr. Portillo: Local offices of the Department in Wales will reply in Welsh to any letters received in that language.

There are facilities for local social security offices outside Wales to have any document or correspondence received in Welsh translated into English, but the reply will normally be in English.

Some social security benefits are administered centrally from offices outside Wales. Correspondence from Wales in Welsh received by any of these central offices is normally answered in Welsh.

Benefits Regulations

Mr. Frank Field: To ask the Secretary of State for Social Services when his Department's leaflets P11, D11, G11 and H11, explaining the new regulations regarding benefits covering National Health Service treatment charges will be delivered to the two offices of his Department in Birkenhead.

Mr. Portillo: The delivery of leaflets P11, D11, G11 and H11 to local offices is scheduled for mid-July. In the meantime, people with inquiries should use the freeline social security service, which can be contacted by dialling 0800-666555 free of charge, or alternatively contact their local DHSS office.

Hospital Building

Mr. Higgins: To ask the Secretary of State for Social Services if he is satisfied that there is adequate consultation between the regional health authorities in planning the hospital building programmes; and if he will make it his policy that no proposal for new hospital building close to Worthing health authority district will be considered without taking fully into account the location of existing hospitals and the case for giving priority to the construction of phase II of the Worthing hospital.

Mrs. Currie: It is incumbent on all health authorities when planning capital schemes to take into account developments planned or in the pipeline in neighbouring authorities. In the case of Worthing and Brighton the authorities concerned are considering jointly the location of and services provided by existing hospitals in those districts and future plans for new building before submitting proposals to the Department.

Income Support

Mr. Turner: To ask the Secretary of State for Social Services (1) if he will make it his policy that the compensatory element to be built into the April 1989 income support rates to reflect 20 per cent. of the average community charge will be, in the case of a single person aged 18 to 24 years inclusive, the same as that for a single person aged 25 years or over;

(2) if he will make it his policy that the compensatory element to be built into the April 1989 income support rates to reflect 20 per cent. of the average community charge be paid to a full uprating of the remainder of the income support rates, according to the movement of the retail prices index exclusive of housing costs over the relevant measurement period.

Mr. Portillo: Decisions regarding the uprating of income support and the compensation for the liability to meet 20 per cent. of the average community charge will be taken in the autumn.

Pensions

Mrs. Beckett: To ask the Secretary of State for Social Services what information he has as to which countries in

Europe, other than the United Kingdom, pensions are paid *(a)* at a higher rate to married men than to single men or *(b)* to married women by virtue of their husbands' contributions.

Mr. Scott *[holding answer 18 May 1988]:* Among the member states of the European Community married men are paid higher pensions than single men in Belgium, Greece, Ireland, the Netherlands, Portugal and Spain. However, the rate of increase is in several cases very small. In Denmark a married couple receive a higher pension than the single person rate only if both partners qualify for a pension. The United Kingdom and Gibraltar are the only parts of the European Community in which a separate pension is paid to a wife by virtue of her husband's contributions.

TRADE AND INDUSTRY

Companies

Mr. Gregory: To ask the Chancellor of the Duchy of Lancaster what information he has as to which companies have their headquarters in the Yorkshire and Humberside region and have subsidiaries abroad.

Mr. Atkins: There are 52,171 companies which have their registered office address in the Yorkshire and Humberside region. The information concerning foreign subsidiaries could be obtained only at disproportionate cost.

BP (Kuwaiti Shareholding)

Mr. Gould: To ask the Chancellor of the Duchy of Lancaster what action he proposes to take, pending a report from the Monopolies and Mergers Commission, in the event that the Kuwaiti Investment Office increases its shareholding in BP by taking its dividend in the form of additional shares.

Mr. Kenneth Clarke: In accordance with normal practice, the Office of Fair Trading has invited the Kuwait Investment Office to give an undertaking, pending the outcome of the Monopolies and Mergers Commission inquiry, that it will not acquire additional BP shares.

Mobile Communications

Mr. Teddy Taylor: To ask the Chancellor of the Duchy of Lancaster why Mr. Arthur Bird of 3 Ashanti close, Shoeburyness, has been advised that the allocation of a radio frequency cannot be given for his taxi firm for 10 weeks; and if he will make a statement.

Mr. Butcher *[holding answer 17 May 1988]:* The assignment of frequencies for private mobile radio users is a complex process. At present, over 1,000 cases a month are being received and there is a backlog of work. Steps are being taken to deal with this backlog, and new applications are now generally taking less than six weeks. I will write to the hon. Member about the options available to those who have an urgent need for mobile communications.

Furnishings (Fire Safety)

Dr. Cunningham: To ask the Chancellor of the Duchy of Lancaster what account was taken in drawing up the draft Furniture and Furnishings (Fire) (Safety) Regulations of the relevant European Economic Community standards.

Mr. Butcher *[holding answer 19 May 1988]:* I am not aware of any such standards.

Dr. Cunningham: To ask the Chancellor of the Duchy of Lancaster if his Department has had any discussions with the European Commission about the draft Furniture and Furnishings (Fire) (Safety) Regulations.

Mr. Butcher *[holding answer 19 May 1988]:* Several such discussions have taken place; the most recent was in Brussels on 17 May.

Departmental Research Establishments

Mr. Blair: To ask the Chancellor of the Duchy of Lancaster what is the regional distribution of his Department's research establishments.

Mr. Butcher *[holding answer 19 May 1988]:* The distribution is as follows:

Scotland

National Engineering Laboratory at East Kilbride.

South East Region

Warren Spring Laboratory at Stevenage.
Laboratory of the Government Chemist at Waterloo (London).
National Physical Laboratory at Teddington.
National Weights and Measures Laboratory at Teddington.

ENERGY

Ministerial Statements

Dr. Thomas: To ask the Secretary of State for Energy what is his policy towards making statements in Parliament on matters raised by television or radio broadcasts or in the press and magazine articles.

Mr. Parkinson: Each case is decided on its merits.

Welsh Language

Mr. Wigley: To ask the Secretary of State for Energy what is his policy with regard to dealing with those individuals and bodies in Wales who wish to communicate with his Department through the medium of the Welsh language.

Mr. Parkinson: My Energy Efficiency Office can deal with inquiries in Welsh and issues selected publications in Welsh. If a wish emerged from individuals and bodies in Wales to communicate in Welsh with other parts of my Department, I would explore whether suitable arrangements could be made.

THORP (Contracts)

Dr. Thomas: To ask the Secretary of State for Energy what proportion of the current contracts signed for THORP at Sellafield with non-United Kingdom companies is allocated for the expenditure to be incurred by *(a)* United Kingdom Nirex Ltd., *(b)* its successor body if reorganised under privatisation and *(c)* British Nuclear Fuels plc for the long-term storage or disposal of (i) low-level wastes and (ii) intermediate-level wastes to be retained in the United Kingdom after reprocessing.

Mr. Michael Spicer: Since 1976 BNFL's contracts for the reprocessing of overseas spent fuel have contained options for the return of wastes. Contracts signed before 1976 do not contain such options and therefore cover the costs of long-term storage and disposal of low and intermediate level wastes. I understand from BNFL that the costs of such storage and disposal are estimated to be less than 5 per cent. of the total costs associated with current contracts signed for THORP without return of waste options.

Coal Mining Subsidence

Mr. Meale: To ask the Secretary of State for Energy whether he will extend the date for receipt of evidence submitted to his Department for its consultation paper, "Coal Mining Subsidence Compensation: Proposals For Legislation" until the autumn.

Mr. Michael Spicer: No; the deadline of three months from the issuing of the paper is a reasonable time to allow interested parties to comment.

The Department is, however, always pleased to have the views of those with an interest in coal mining subsidence and where possible to take these into account.

Mr. Meale: To ask the Secretary of State for Energy if he will direct British Coal to make available to the owners of properties thought to be damaged by coal mining subsidence reports commissioned by the corporation with outside agencies or consultancies.

Mr. Michael Spicer: No. Such reports belong to British Coal. This is a matter for the corporation.

NORTHERN IRELAND

Irish Language

Mr. McGrady: To ask the Secretary of State for Northern Ireland what is the total number of students in teacher training institutions who are currently studying Irish as part of their teacher training course.

Dr. Mawhinney: Forty-eight.

EDUCATION AND SCIENCE

Welsh Language

Mr. Wigley: To ask the Secretary of State for Education and Science what is his policy with regard to dealing with individuals and bodies in Wales who wish to communicate with his Department through the medium of the Welsh language.

Mrs. Rumbold: Generally, it is the practice of the Department to respond in English where a communication is received in another language, but so far as is reasonably practicable, the Department would seek to respond both in English and Welsh to correspondence received in the Welsh language. There is no facility in the Department for dealing orally with questions raised in that language.

Haberdashers' Aske's Schools

Ms. Ruddock: To ask the Secretary of State for Education and Science, pursuant to his answer to the hon. Member for Lewisham, Deptford, 16 May, *Official Report*, column *319*, what advice has been given to the governing body of Haberdashers' Aske's schools about entitlement to redundancy payments of staff of their Lewisham schools consequent upon any change of status to a city technology college.

Mrs. Rumbold: My officials have given no advice to the governing body of the Haberdashers' Aske's schools on this subject.

Schools Councils

Mr. Oppenheim: To ask the Secretary of State for Education and Science if he will make a statement on the setting up of the shadow National Curriculum Council and the shadow School Examinations and Assessment Council.

Mr. Kenneth Baker: During the debate on Second Reading of the Education Reform Bill, on 1 December 1987, at column 776, I announced my intention to set up the National Curriculum Council (NCC) and the School Examinations and Assessment Council (SEAC) in shadow form during the passage of the Bill. Establishment of the councils in this way, which is without prejudice to parliamentary approval of the provisions in the Bill relating to the creation of statutory councils, will enable the bodies to begin planning for implementation of the national curriculum and its associated assessment arrangements, and for the approval of qualifications and syllabuses provided for under the Bill. In particular, it will enable the shadow NCC to plan for consideration of, and consultations on, the reports of the curriculum working groups in mathematics and science due at the end of June.

I am pleased to say that Mr. Duncan Graham, who is currently the chief executive of Humberside county council and formerly chief education officer of Suffolk, has agreed to be chairman and chief executive of the shadow NCC. Mr. Philip Halsey, deputy secretary in the Department of Education and Science until his retirement earlier this month, has agreed to be chairman and chief executive of the shadow SEAC. I am also appointing the following people as members of the shadow councils:

National Curriculum Council

Professor Paul J. Black, OBE, PhD: Professor of Science Education, Kings College, London and Head of the Centre for Educational Studies.

Mr. Malcolm Brigg: TVEI Regional Adviser, Northern Region.

Ms. Judith Chaplin: Head of Institute of Directors' Policy Unit.

Mrs. Daphne Gould: Head of Mulberry Girls' School, Tower Hamlets.

Dr. Hilary Nicolle: Headmistress of Tiffin Girls' School, Kingston-upon-Thames.

Mr. Colin Smith MBE: Headmaster, Delaval County Middle School, Northumberland.

Mr. Christopher J. Webb: Principal, Handsworth Technical College, Birmingham.

Mr. J. Peter Whitehouse: Industrial Consultant.

School Examinations and Assessment Council

Mr. Ivor H. Cohen: Chairman of Remploy Ltd.

Mr. Richard Daughtery: Dean of the Faculty of Educational Studies, University College, Swansea.

Mr. John Day: Secretary-General of the Associated Examining Board.

Mr. Neil Fitton: Director of Education, Cheshire LEA.

Dr. Arthur Hearnden: General Secretary of the Independent Schools Joint Council.

Dr. Stephen Nepaulsingh: Deputy Headmaster, Heath Park High School, Wolverhampton.

Dr. Margaret Rayner: Vice-Principal, St. Hilda's College, Oxford.
Ms. Hilary Steedman: Senior Research Officer at the National Institute of Economic and Social Research.
Mrs. Elizabeth Tarr: Head, Thornbury Primary School, Plymouth.
Ms. Kathleen Tattersall: Joint Secretary of the Northern Examinations Authority. Secretary of the North-West Regional Examinations Board.
Mr. Christopher J. Webb: Principal, Handsworth Technical College, Birmingham.
Mr. J. Peter Whitehouse: Industrial consultant.

They have been chosen after a good deal of consultation with interests directly concerned with the work of the two councils, and between them reflect a wide range of knowledge and experience of educational matters. I am grateful to all for their willingness to serve.

I have chosen not to fill all the places available on each council—15 if the Bill is passed in its present form—because I wish to consider further appointments in the light of the councils' early experience and of further comment about interests which should be reflected. But I shall be seeking to make an early further appointment to the NCC to bring to bear more knowledge and experience of primary education, and I also intend to ensure that people knowledgeable about special educational needs are appointed to both bodies.

Subject to the Education Reform Bill completing its passage through Parliament and receiving Royal Assent, I expect to confirm the appointments to their respective councils of the chairmen/chief executives and of the members at a later date.

The School Curriculum Development Committee and the Secondary Examinations Council, which will respectively be replaced by the NCC and SEAC, will continue their present work for the time being, but will be formally wound up in the autumn after Royal Assent. I am very grateful to their members, and to their chairmen, Professor Roger Blin-Stoyle and Sir Wilfred Cockcroft, for the valuable service they have given and for continuing to serve until the new councils are formally established.

FOREIGN AND COMMONWEALTH AFFAIRS

Bangladesh

Mrs. Wise: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the cost of the United Kingdom military training assistance scheme relating to Bangladesh.

Mrs. Chalker: We meet the cost of providing a three-man team to help with instruction at the Bangladesh defence services command and staff college. In addition, we meet the cost of attendance by Bangladeshi students at a small number of military training courses in the United Kingdom. It is not our practice to disclose the cost of assistance to individual countries.

Falkland Islands

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs whether the Government have offered any financial assistance to Falkland Islanders who wish to emigrate from the islands; and if he will make a statement.

Mr. Eggar: We have not offered any financial assistance to Falkland Islanders wishing to emigrate from the islands. The FICZ has increased job opportunities in the islands over the last 18 months. The 1986 census showed an increase in population for the first time since 1930.

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the present permanent population of the Falkland Islands; what was the population in 1980; and what proportion of the present population are native to the islands.

Mr. Eggar: At the last census held on 16 November 1986, the population of the Falkland Islands was 1,916. In 1980 the population was 1,813. The 1986 census figures established that at that time 67 per cent. of the population was born in the Falkland Islands.

Ministerial Statements

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his policy towards making statements on matters raised by television or radio broadcasts or published in the press and magazines.

Mr. Eggar: Each case is decided on its merits.

Welsh Language

Mr. Wigley: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his policy with regard to dealing with individuals and bodies in Wales who wish to communicate with his Department through the medium of the Welsh language.

Mr. Eggar: We would make the necessary arrangements for the translation of any communication received in the Welsh language.

Gibraltar (Shootings)

Mr. Austin Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs, further to his statement on 7 March, *Official Report*, column 22, on the shootings in Gibraltar, whether full information on the bullet wounds inflicted on the terrorists will be made available by the British Army and the commissioner of the Gibraltar police to the coroner; and whether it is the Government's intention to release this information to the public when the inquest has been completed.

Mrs. Chalker: It will be for the coroner to decide to whom he makes available the evidence laid before the inquest.

Mr. Austin Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs, further to his statement of 7 March on the shootings in Gibraltar, *Official Report*, column 21, to whom the police commissioner addressed his request for military assistance; and when.

Mrs. Chalker: I have nothing to add to the statement made by my right hon. and learned Friend on 7 March.

Albania

Mr. Parry: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on current relations with Albania.

Mrs. Chalker: We have no diplomatic relations with Albania but a British trade mission has recently visited that country and there are other unofficial contacts.

In 1980, we offered to establish diplomatic relations with Albania without preconditions. That offer remains open, but unfortunately the Albanians have not taken it up. FCO officials held talks with Albanian officials in 1985, with a view to finding mutually acceptable solutions to the outstanding problems. These talks did not lead to agreement, but we should be glad to resume discussion if this seemed likely to lead to a satisfactory outcome.

SCOTLAND

Cavendish Memoirs

Mr. Kennedy: To ask the Secretary of State for Scotland if he will estimate the current cost of the pursual of the legal case to prevent publication of the Cavendish memoirs; and if he will make a statement.

Lord James Douglas-Hamilton: Proceedings in Scotland in relation to Anthony Cavendish's book "Inside Intelligence" have been brought by the Lord Advocate on behalf of the Government. Those proceedings have not been concluded and in these circumstances it would be inappropriate for any estimate to be made as to the current cost of the pursual of the proceedings. My right hon. and learned Friend therefore does not intend to make any statement in relation to the matter.

Radioactivity (Monitoring)

Mr. Home Robertson: To ask the Secretary of State for Scotland, pursuant to his reply to the hon. Member for East Lothian on 16 May, *Official Report*, column *347*, if he will list the 26 sites for radioactivity monitoring stations in Scotland; and if it is his intention to make information collected at these stations available to the public.

Lord James Douglas-Hamilton: The location of a number of the 26 monitoring stations to be established in Scotland has yet to be decided. Those 18 sites which will be established this year under phase 1 of the scheme are as listed. (I regret that my reply of 16 May erroneously gave this number as 20.) The locations of the remaining eight sites required to complete the network will be decided later this year and their installation and the automation of all 26 sites are expected within the next two years.

The information collected at these stations will be made available to local authorities and to other interested bodies or members of the public.

Phase 1 monitoring stations in Scotland

Aultbea	Leuchars
Aviemore	Lossiemouth
Benbecula	Machrihanish
Dalcross	Oban
Dyce	Stranraer
Eskdalemuir	Stornoway
Fort William	Tiree
Kirkwall	Tummel Bridge
Lerwick	Wick

Paisley

Mr. Allen Adams: To ask the Secretary of State for Scotland what representations he has received regarding the delay in the commencement of the Paisley town centre development; and what response he has made.

Mr. Michael Forsyth: I have received a number of representations on behalf of a company which has indicated an interest in acquiring land purchased with public funds and owned by Paisley college of technology in order to facilitate a projected development in Paisley town centre. In reply I have explained that the site in question will be disposed of by open tender; and that the Scottish Education Department will not stand in the way of any arrangement which is in the interests of the college and which secures a proper return on the sale of a publicly-acquired asset.

Paisley College (Land Drainage)

Mr. Allen Adams: To ask the Secretary of State for Scotland (1) when he last met the governors of Paisley college to discuss the situation regarding land owned by the college in Storie street, Paisley; what was the outcome of these discussions; and if he will make a statement;

(2) what advice his Department gave, and on what date, to the governors of Paisley college regarding the land at Storie street, Paisley, which is in the ownership of the college; what action was taken by the governors; and if he will make a statement;

(3) what plans he has to discuss with the governors of Paisley college the anticipated completion date for the disposal of the land owned by the college at Storie street, Paisley; and if he will make a statement.

Mr. Michael Forsyth: I have had no discussions with the governors of Paisley college about the land owned by the college in Storie street. However, officials of the Scottish Education Department have on a number of occasions in the last few months had discussions about the land with senior management of the college. They offered advice on various options for marketing the land so as to secure the best return on a publicly-acquired asset. I understand that the land will be exposed for sale by tender shortly.

Mr. Allen Adams: To ask the Secretary of State for Scotland what plans he had to assist the town of Paisley in celebration of the 500th anniversary of its formation by grant of Royal Charter during 1988; and if he will make a statement.

Lord James Douglas-Hamilton: None, nor has any such assistance been sought. My right hon. and learned Friend would like, however, to extend to the citizens of Paisley every good wish in this their 500th anniversary year.

Mr. Allen Adams: To ask the Secretary of State for Scotland what estimates he has of the number of jobs which will be created by the development of the Paisley shopping centre *(a)* during construction, and *(b)* when completed.

Mr. Lang: The project, which is due to begin early next year, is expected to create 200 construction jobs. It is estimated that it will provide 500 retail jobs when completed in 1991.

Sheepmeat

Dr. David Clark: To ask the Secretary of State for Scotland if he will outline the procedures adopted following the discovery of sheep with bequerel readings in excess of 1,000 per kilogram to stop *(a)* the tested sheepmeat carcases concerned and *(b)* sheepmeat from carcases in the same batch entering the food chain.

Mr. Michael Forsyth: Since there have been no cases of the discovery in slaughterhouses of sheep for sale with readings in excess of 1,000 bq/kg it has not been necessary for any such procedures to be adopted.

Dr. David Clark: To ask the Secretary of State for Scotland what time elapsed from the sampling of sheep at slaughterhouses under the Food and Environment Act to the results becoming available.

Mr. Michael Forsyth: On average four days.

Dr. David Clark: To ask the Secretary of State for Scotland when the monitoring of sheep at slaughterhouses under the Food and Environment Protection Act was introduced; and if this was by live monitoring.

Mr. Michael Forsyth: The monitoring of caesium levels in sheep at slaughterhouses was introduced on 28 May 1986. It serves as a check on the effectiveness of movement and slaughter restrictions and is undertaken on carcases.

ENVIRONMENT

Nuclear Waste (Sea Dumping)

Mr. Moss: To ask the Secretary of State for the Environment how he proposes to ensure that sub-seabed burial of low and medium level nuclear waste will conform with recent resolutions of the contracting parties to the London dumping convention; whether it would require London dumping convention approval; and what assessment he has made as to whether it would involve levels of technology as yet untried and untested for that purpose.

Mr. Moynihan: There are no current proposals to bury low-level or intermediate-level radioactive waste under the sea-bed. Any future proposals would, of course, have to satisfy all national and international safety requirements.

Water Authorities

Mr. Ron Davies: To ask the Secretary of State for the Environment how many staff were employed by each English water authority at the latest available date.

Mr. Moynihan: As of 31 March 1988, the numbers of staff employed by each regional water authority was:

	Staff
Anglian	5,102
Northumbrian	1,459
North West	7,936
Severn Trent	8,174
Southern	3,162
South West	1,958
Thames	9,210
Wessex	1,891
Yorkshire	4,981

Ofwat

Mr. Pike: To ask the Secretary of State for the Environment what proposals his Department is currently making with regard to the protective powers of Ofwat; and if he will make a statement.

Mr. Moynihan: The conditions of appointment of the water utility companies will provide a framework of protection to be operated by the water services office under powers to be provided in legislation to be laid before Parliament. A series of policy letters, copies of which will be placed in the Library, was announced in the answer to my hon. Friend the Member for Northampton, North (Mr. Marlow) on 8 March, at column *121*. The letters will give details of the regulatory framework. The first dealt with the regulation of charges by the new water utility companies.

Water Supply

Ms. Ruddock: To ask the Secretary of State for the Environment what information he has as to how much the Thames water authority spent in each of the last five years on controlling the levels of nitrites and nitrates in rivers; and if he will make a statement.

Mr. Moynihan: My Department does not hold such information.

Ms. Ruddock: To ask the Secretary of State for the Environment what information he has as to *(a)* nitrate levels, and *(b)* nitrite levels in the rivers within the Thames water authority in each of the last five years.

Mr. Moynihan: The information held by the Department on nitrite and nitrate levels in rivers within Thames water authority over the last five years is as follows:

Mean annual levels of nitrate expressed in milligrams of nitrogen per litre

	1983	*1984*	*1985*	*1986*	*1987*
Cherwell Oxford	7·1	7·8	10·0	8·2	8·6
Thame Dorchester bridge	8·9	9·8	9·3	8·8	8·3
Kennet	4·8	5·4	4·8	4·8	4·5
Loddon, Twyford	6·8	7·1	7·1	6·1	6·0
Thames, Egham	7·0	7·7	7·8	6·9	7·0
Colne	6·8	7·1	6·1	7·3	6·8
Wey	5·6	6·2	6·2	5·6	5·4
Mole	7·4	7·6	7·0	6·5	6·3
Thames, Teddington	7·1	7·5	7·5	6·9	6·9
Lee Waterhall	10·7	9·9	12·4	11·6	11·6
Lee, Ware	7·7	7·5	7·8	8·8	8·4
Lee, Springfield	12·5	13·0	12·8	9·7	10·8
Roding, Redbridge	9·8	11·5	8·2	10·9	9·5

Mean annual levels of nitrite expressed in milligrams of nitrogen per litre

	1983	*1984*	*1985*	*1986*	*1987*
Cherwell, Oxford	—	—	—	<0·07	0·09
Thame, Dorchester bridge	—	—	—	<0·05	0·05
Kennet	—	—	—	—	0·07
Lodden, Twyford	—	—	—	—	0·08
Thames Egham	—	—	—	<0·07	0·07
Colne	<0·08	<0·10	<0·13	<0·67	<0·10
Wey	—	—	0·14	<0·13	0·12
Mole	—	—	<0·22	<0·17	0·13
Thames, Teddington	—	—	<0·13	<0·10	0·10
Lee, Waterhall	0·15	<0·10	0·17	<0·10	0·18
Lee, Ware	<0·08	<0·07	<0·07	<0·12	0·06
Lee, Springfield	<0·17	0·29	0·25	—	—
Roding, Redbridge	0·54	<0·60	0·20	0·68	—

< signifies - less than.

Radioactive Waste

Dr. Thomas: To ask the Secretary of State for the Environment (1) what representations will be made by his

Department at the international conference on low and intermediate-level nuclear waste management organised by the International Atomic Energy Agency and Commission of the European Communities to be held in Stockholm from 16 to 20 May;

(2) if he will list in the *Official Report* all those United Kingdom participants referred by his Department for the International Atomic Energy Agency Commission of the European Communities joint international symposium on low and intermediate-level nuclear wastes to be held in Stockholm on 16 to 20 May; and what specific departmental representation is arranged.

Mr. Moynihan: Twenty five United Kingdom delegates attended the IAEA/CEC symposium on low and intermediate level waste held in Stockholm 16-20 May. The following organisations were represented:

HM Inspectorate of Pollution; HM Industrial Pollution Inspectorate; United Kingdom Atomic Energy Authority; Central Electricity Generating Board; South of Scotland Electricity Board; British Nuclear Fuels plc; National Radiological Protection Board; Taywood Engineering Ltd; Associated Nuclear Services; and the Open university.

Dr. Thomas: To ask the Secretary of State for the Environment what physical checks are made on consignments of radioactive wastes on arrival at the Drigg dump near Sellafield to ensure that the packaged waste contains only what Her Majesty's Pollution Inspectorate authorisations allow.

Mr. Moynihan: BNF plc is responsible for quality assurance monitoring at the Drigg site. Her Majesty's Inspectors of Pollution also carry out quality checking. Material can be removed to an independent laboratory for analysis by inspectors.

Dr. Thomas: To ask the Secretary of State for the Environment what is the total radioactivity content in becquerels of nuclear wastes currently deposited at the Drigg dump near Sellafield; and what authorisations exist for disposal up to the year 2010.

Mr. Moynihan: 470 terabecquerels were disposed of at Drigg up to 1 January 1986. An authorisation controlling the disposal of solid radioactive waste to the Drigg site was issued on 1 February 1988. It will be reviewed by 1992.

Dr. Thomas: To ask the Secretary of State for the Environment if he will make a statement on his policy towards the import by the United Kingdom of foreign nuclear wastes in low and intermediate categories for *(a)* treatment, incineration and compaction and *(b)* disposal, once Nirex has finalised its search for a suitable deep disposal site.

Mr. Moynihan: No low and intermediate level waste arising from anywhere in the world is imported into the United Kingdom. Any proposals to do so would be considered on its merits, with a view to ensuring that neither the public nor the environment should be placed at any risk.

Dr. Thomas: To ask the Secretary of State for the Environment if he has made any consideration of planning gains to be offered to the residents of Drigg and Carleton in Cumbria near Sellafield in the light of the planning and environmental blight brought about by the radioactive waste dump at Drigg; and if he will make a statement.

Mr. Moynihan: My right hon. Friend has made no consideration of planning gains in the Drigg area. This is a matter for BNFL and the local authorities.

Dr. Thomas: To ask the Secretary of State for the Environment what is the total plutonium content *(a)* by weight and *(b)* by radioactivity content of plutonium contamination material currently deposited at the Drigg dump near Sellafield; and if he will make a statement on the extractability of the plutonium by current methods or methods known to his Department presently under development.

Mr. Moynihan: I understand from BNFL that there are about 500 g of plutonium dispersed throughout 700,000 cu m of low-level radioactive waste currently deposited at Drigg. The radioactive content of this is estimated to be approximately 25 tera becqerels. Much research has been carried out into methods to remove plutonium from wastes prior to disposal; however, none has proved to be worth while.

Dr. Thomas: To ask the Secretary of State for the Environment if he has any plans to initiate a special development order to permit British Nuclear Fuels Ltd. to conduct borehole testing as part of suitability evaluation for deep disposal of nuclear waste at the Sellafield site, in light of the rejection of the planning application for such a test from British Nuclear Fuels plc by the Copeland borough council planning committee.

Mr. Moynihan: I have at present no plans to initiate a special development order.

Dr. Thomas: To ask the Secretary of State for the Environment what proportion of radioactive wastes currently deposited at the Drigg dump near Sellafield arise from contracts made with foreign companies or Governments; and what proportion of the volume of wastes expected to be deposited at the Drigg dump by the year 2010 will be of foreign origin.

Mr. Moynihan: Approximately 4 per cent. by volume of the radioactive waste disposed of by burial into the ground at the Drigg disposal site up to the end of 1987 arose from British Nuclear Fuel's contracts with foreign customers. This percentage is not expected to change significantly in the period to 2010.

Ministerial Statements

Dr. Thomas: To ask the Secretary of State for the Environment what is his policy regarding making statements in Parliament on matters raised by television or radio programmes or in the press and magazines articles.

Mr. Ridley: Each case is decided on its merits.

Heat Exchangers (Nuclear Plants)

Dr. Thomas: To ask the Secretary of State for the Environment what is his current policy towards the disposal of heat exchangers from decommissioned nuclear power plants.

Mr. Moynihan: The power plant operator is responsible for management of decommissioned wastes. I expect him to make proposals for safe disposal to Her Majesty's Inspectorate of Pollution who will assess them against radiological and environmental criteria set out in the HMSO booklet "Disposal facilities on land for low and

intermediate level radioactive wastes: Principles for the protection of the human environment." If I am satisfied with the proposal and the assessment the operator will be authorised to proceed.

Mustard Gas (Clwyd)

Dr. Thomas: To ask the Secretary of State for the Environment when he expects to be able to publish the report commissioned from the laboratory of the Government Chemist by the Property Services Agency in 1985 on mustard gas contamination at Rhydymwyn in Clwyd.

Mr. Moynihan: The report commissioned from the Government Chemist to assess the level of mustard gas contamination on this site was not prepared nor intended for publication.

Welsh Language

Mr. Wigley: To ask the Secretary of State for the Environment what is his policy with regard to dealing with those individuals and bodies in Wales who wish to communicate with his Department through the medium of the Welsh language.

Mr. Ridley: The Department's policy is to answer communications in languages other than English in the writer's language wherever possible. Normally, unless an urgent reply is required. any correspondence to the Department that is written in Welsh will be answered in Welsh.

Office of Water Regulation

Mr. Pike: To ask the Secretary of State for the Environment how his Department proposes that the members of the Office of Water Regulation will be selected; what the composition of the Office of Water Regulation will be; and if he will make a statement.

Mr. Moynihan: Planning for the establishment of the water services office is still at an early stage, but we expect to recruit a suitably experienced and qualified Director General of Water Services. The staff of the office is likely to be a mixture of civil servants on loan from their Departments and specialist staff recruited on contract from elsewhere.

Mr. Pike: To ask the Secretary of State for the Environment what resources his Department intends to place at the disposal of the Office of Water Regulation; and if he will make a statement.

Mr. Moynihan: The water service offices is likely to be a non-ministerial department, the Exchequer costs of which will be financed by licence fees from the utility companies which will hold appointments as water and sewerage undertakers. The Department will ensure that it is established with adequate resources to commence its regulatory tasks; thereafter this will be the reponsibility of the Director General of Water Services.

Mr. Pike: To ask the Secretary of State for the Environment what powers the Office of Water Regulation will have with regard to the level of charges paid by water customers/users.

Mr. Moynihan: The charges of water utility companies will be limited in accordance with one of their conditions of appointment, which will be administered by the Director General of Water Services. The arrangements for the regulation of charges are described in a policy letter dated 3 March 1988 (reference WRP1), copies of which have been placed in the Library.

Water Industry (Privatisation)

Mr. Pike: To ask the Secretary of State for the Environment what his Department estimates the severance costs will be to the water industry, or to any other body covering these costs of breaking up the water industry into private companies and a National Rivers Authority; and if he will make a statement.

Mr. Moynihan: No information is yet available. Following Royal Assent to the Public Utility Transfers and Water Charges Act, water authorities have been asked to provide outline schemes of organisation on the separation of their businesses into a utility and NRA component. These will identify, inter alia, any costs of the necessary reorganisation. The National Rivers Authority Advisory Committee will be scrutinising these restructuring proposals very carefully.

Mr. Pike: To ask the Secretary of State for the Environment what powers the National Rivers Authority will have with regard to monitoring and influencing levels of capital expenditure by privatised water companies on their assets.

Mr. Moynihan: Regulatory decisions taken by the National Rivers Authority in respect of abstraction and impounding licences and discharge consents may influence levels of capital expenditure by privatised water companies. The expenditure needed will be taken into account by the Director General of Water Services in reviewing the prices which companies may charge their customers. In addition, the NRA will have an interest in the costs which companies incur in maintaining and operating river-regulating reservoirs, for which the NRA will pay them a charge.

Water Pollution

Mr. Ron Davies: To ask the Secretary of State for the Environment how many water pollution incidents were recorded in each English water authority in each of the last three years.

Mr. Moynihan: The numbers of water pollution incidents reported by English water authorities in the last three years for which figures are available are:

	1984-85	*1985-86*	*1986-87*
Anglian	1,557	1,707	1,468
Northumbrian	654	722	729
North West	2,241	2,202	2,480
Severn Trent	4,372	4,500	4,497
Southern	1,574	1,668	1,743
South West	1,685	1,718	2,075
Thames	2,486	2,695	2,890
Wessex	1,125	993	1,332
Yorkshire	1,536	2,006	2,262

The Water Authorities Association will publish figures for 1987-88 later this year.

WALES

Water Pollution

Mr. Ron Davies: To ask the Secretary of State for Wales what is the number of water pollution incidents recorded for each of the last three years in Wales.

Mr. Grist: The Welsh water authority's annual water quality report shows the reported water pollution incidents for the years 1984-85, 1985-86 and 1986-87 were 1,418, 1,681 and 1,619 respectively.

The report for 1987-88 is expected to be issued in the near future.

Welsh Language

Mr. Wigley: To ask the Secretary of State for Wales whether he is now in a position to be able to announce the outcome of the consultation process undertaken by his Department during 1986-87 concerning the desirability of initiating new Welsh language legislation; and if he will make a statement.

Mr. Wyn Roberts: I refer the hon. Gentleman to the reply I gave him on 25 April, at columns *6-7*.

Mr. Wigley: To ask the Secretary of State for Wales when he expects the evidence submitted to his Department in response to its consultation exercise on the desirability of new Welsh language legislation carried out in 1986 and 1987 to be made available to the public for inspection.

Mr. Wyn Roberts: I refer the hon. Gentleman to the reply I gave him on 15 January at column *426*.

Mr. Wigley: To ask the Secretary of State for Wales what detailed evaluation has been carried out by his Department of the responses to its consultation exercise on the desirability of new Welsh language legislation carried out in 1986 and 1987; in what form he expects such evaluation to be made available to the public; and if he will make a statement.

Mr. Wyn Roberts: Substantive comments have been individually considered in depth and the main thrust of these will be reflected in the announcement which my right hon. Friend hopes to make shortly on his plans for action with regard to the Welsh language.

Mr. Wigley: To ask the Secretary of State for Wales whether he will consider publishing a White Paper on reform of the legal status of the Welsh language; and if he will make a statement.

Mr. Wyn Roberts: No.

Mr. Wigley: To ask the Secretary of State for Wales, pursuant to his answer to the hon. Member for Caernarfon of Friday 11 March, *Official Report*, column *367*, why his Department has not compiled a list of those persons, bodies and associations which submitted evidence to his Department on the desirability of new Welsh language legislation during the consultation exercise carried out in 1986 and 1987; and if he will make a statement.

Mr. Wyn Roberts: I refer the hon. Gentleman to the reply given to him on 11 March, at column *367*.

Nursery Nurses (Clwyd)

Mr. Barry Jones: To ask the Secretary of State for Wales how many qualified nursery nurses are employed by each of the local education authorities in Wales; if he will grant extra funds to Clwyd education authority so as to avoid cutbacks in nursery nurse numbers in the junior schools of Clwyd; if he will meet the Clwyd parent-teacher associations to discuss the work of nursery nurses in Clwyd; and if he will make a statement.

Mr. Wyn Roberts: The number of qualified nursery assistants employed by each local education authority in Wales as at September 1987 is as follows:

Local Education Authority	*Number*
Clwyd	309
Dyfed	152
Gwent	339
Gwynedd	64
Mid Glamorgan	341
Powys	74
South Glamorgan	105
West Glamorgan	260

It is for Clwyd local education authority to determine its own priorities within the total resources available to it.

We have no plans to meet the Clwyd parent-teachers associations.

Opencast Mining

Mr. Barry Jones: To ask the Secretary of State for Wales how he will prepare regional coalfield statements in Wales concerning opencast coalmining; and if he will make a statement.

Mr. Peter Walker: In accordance with the code of practice produced by the local authority associations, British Coal Corporation has agreed to prepare a national assessment of the market requirement for opencast coal.

Subsequently, British Coal will prepare regional coalfield statements which will indicate the regional impact of the national assessment, for discussion with the mineral planning authorities in each region.

Mr. Barry Jones: To ask the Secretary of State for Wales how he will ensure that local people, as well as county mineral planning authorities, will be involved in opencast mining applications; and if he will make a statement.

Mr. Grist: The Government believe that local people should be given the opportunity to make their views known both to the industry and to the mineral planning authorities. Thus the law requires an applicant for planning permission for opencast mining to advertise his proposals in the local press and on a notice to be displayed on the site. The application cannot then be determined for a minimum of 21 days during which members of the public and anyone with an interest in the land may make representations to the mineral planning authority. In addition, where proposals relate to large sites or sites that may be worked over many years the Government encourage the industry to discuss the proposals at an early stage with the local community by holding public exhibitions and meetings.

Homelessness

Mr. Roy Hughes: To ask the Secretary of State for Wales what further action he proposes to take to combat homelessness in Wales.

Mr. Grist *[holding answer 16 May 1988]:* There are specific proposals in the Housing Bill which aim to increase the supply of rented accommodation for those in greatest housing need.

Housing

Mr. Roy Hughes: To ask the Secretary of State for Wales how many houses in Wales are classified as unfit to live in.

Mr. Grist *[holding answer 16 May 1988]:* The results of the Welsh house condition survey show that in 1986 the number of dwellings in Wales classified as unfit was 79,700. In 1981 there were 90,000 unfit dwellings.

Mr. Roy Hughes: To ask the Secretary of State for Wales how many houses in Wales lack *(a)* one or more basic amenity, *(b)* an inside toilet and *(c)* a fixed bath.

Mr. Grist *[holding answer 16 May 1988]:* The results of the Welsh house condition survey show that in 1986 there were 47,600 dwellings in Wales lacking one or more basic amenity, 20,800 dwellings in Wales lacking a WC inside the dwelling, and 16,300 dwellings in Wales lacking a fixed bath or shower inside the dwelling. These figures show a significant improvement on the situation in 1981 when 83,600 lacked one or more basic amenity, 55,000 lacked a WC inside the dwelling, and 44,300 lacked a fixed bath in a bathroom.

House Condition Survey

Mr. Nigel Griffiths: To ask the Secretary of State for Wales if he will give the cost of compiling the latest Welsh house condition survey; and what assessment he has made of its value to his Department.

Mr. Grist *[holding answer 17 May 1988]:* The 1986 Welsh house condition survey was the first undertaken at the district level and provides both the Department and district councils in Wales with a uniquely detailed picture of the Welsh housing stock, and with a large amount of social data about householders. The report identifies the considerable progress we have made in improving housing conditions in Wales and also highlights the areas with outstanding housing problems. It will assist us in determining priorities and financial allocations. The cost of the survey was £1·6 million. The value of the survey will be determined by the extent to which local authorities and others make use of the results.

DEFENCE

Equal Opportunities

Mr. Boateng: To ask the Secretary of State for Defence what proposals he has to extend monitoring of equal opportunities in Her Majesty's forces.

Mr. Freeman: None. I refer the hon. Member to my right hon. Friend's evidence to the Defence Committee. The Committee's report (HC 391) was published on 25 April and we shall be responding to it shortly.

Procurement Contracts

Mr. Wallace: To ask the Secretary of State for Defence how many current procurement contracts valued at more than £10 million are currently behind schedule.

Mr. Sainsbury: The Ministry has a well-developed system which ensures that all projects running seriously behind schedule are brought to the notice of senior officials and, for major projects, Ministers. Information about major projects is also regularly made available to the Public Accounts and Defence Select Committees. The detailed information requested, however, would require a special survey and could be provided only at disproportionate cost.

Falkland Islands

Dr. Thomas: To ask the Secretary of State for Defence what has been the total cost of the defence of the Falkland Islands since the end of the conflict; and what percentage of the expenditure involved represents payments to United Kingdom-based contractors in respect of construction works and so on.

Mr. Freeman: The additional cost of maintaining a garrison in the Falkland Islands from April 1983 to the end of the last financial year is estimated to be £1,544 million (including campaign costs in 1982-83 but excluding residual campaign costs subsequently). Approximately one third of this amount has been spent on capital works projects. The placing and management of works contracts is a matter for my right hon. Friend the Secretary of State for the Environment.

Dr. Thomas: To ask the Secretary of State for Defence what is the latest estimate of the annual cost of defending the Falklands.

Mr. Freeman: The additional cost of maintaining a garrison in the Falkland Islands in 1988-89 is estimated to be £97 million. This includes all extra costs relating to the Falklands garrison; it excludes residual campaign costs, and those personnel, equipment and other costs which would be incurred in the absence of the Falklands commitment.

Ministerial Statements

Dr. Thomas: To ask the Secretary of State for Defence what is his policy towards making statements in Parliament on matters raised by television or radio or in the press and magazine articles.

Mr. Ian Stewart: Each case is decided on its merits.

Deaf Persons

Mr. Ashley: To ask the Secretary of State for Defence how many people employed in his Department are *(a)* deaf without speech, *(b)* deaf with speech, and *(c)* hard of hearing, for the latest date for which figures are available; and what percentage this represents of all employees in his Department.

Mr. Sainsbury: I regret the information requested is not held centrally. However, action is being taken within the Ministry of Defence to set up a central database on people with disabilities.

Welsh Language

Mr. Wigley: To ask the Secretary of State for Defence what is his policy with regard to dealing with individuals and bodies in Wales who wish to communicate with his Department through the medium of the Welsh language.

Mr. Sainsbury: Written presentations to the Ministry of Defence in any language other than English are translated within the Department or sent to commercial agencies for translation if resources are not available.

It is normal practice to reply in English, the working language of the Department, irrespective of the language used by the original inquiry.

P and O Staff (Training)

Mr. Strang: To ask the Secretary of State for Defence what training facilities are provided at Deal barracks for staff of the P and O company; and when such facilities were first made available.

Mr. Freeman: No training facilities are being provided at Deal barracks for staff of the P and O company. The Royal Marines school of music owns a swimming pool outside the camp which is regularly made available to the general public and commercial organisations—including the cross-Channel operators. P and O has been using the pool from time to time since 9 May and I understand that it has carried out some staff training in life saving duties there.

Defence Estimates

Mr. Simon Hughes: To ask the Secretary of State for Defence what is the cost of compiling the Defence Estimates White Paper.

Mr. Ian Stewart: The estimated costs of producing the 1988 Statement on the Defence Estimates were approximately £63,000.

Fishermen (Compensation)

Mr. Kirkwood: To ask the Secretary of State for Defence what steps he proposes to take to compensate fishermen whose boats and gear are damaged or sunk after being ensnared by submarines at sea.

Mr. Ian Stewart: There is already a well-established procedure by which fishermen may claim compensation when their boats or gear are damaged or sunk by Her Majesty's ships, including submarines. Every incident reported is carefully investigated and compensation is paid where it is shown that the Ministry of Defence is legally liable.

Disabled Persons

Mr. Fearn: To ask the Secretary of State for Defence what measures he has introduced to improve the employment prospects of disabled persons in the armed forces.

Mr. Freeman: No new measures have been initiated. It is not our practice to recruit disabled people and the nature of employment in the armed forces is such that it is not often possible to continue to employ service personnel disabled whilst in the forces, though individual cases are considered on their merits.

HIV Screening

Mr. Butler: To ask the Secretary of State for Defence if he will introduce HIV screening for pilots of fighter aircraft; and if he will make a statement.

Mr. Freeman: No. It is not Ministry of Defence policy to impose compulsory HIV screening within any area of the armed forces. This accords with the current overall Government policy on employment.

AGRICULTURE, FISHERIES AND FOOD

Food and Environment Protection Act

Dr. David Clark: To ask the Minister of Agriculture, Fisheries and Food if he will place in the Library copies of all the correspondence sent to farmers affected by restrictions under the Food and Environment Protection Act since 20 June 1986.

Mr. Donald Thompson: I am placing in the Library of the House a copy of the correspondence sent by my officials to all farmers in England affected by restrictions under the Food and Environment Protection Act 1985.

Badgers

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food what progress is being made on the development of a tuberculosis vaccine for badgers; what research is presently carried out with that aim; and if he will make a statement.

Mr. Donald Thompson *[holding answer 19 May 1988]:* Research work on the development of a reliable vaccine for use in badgers has been carried out at the Middlesex hospital. Proposals for field trials to determine the efficacy of the vaccine and a suitable method of administration are under active and careful consideration.

EMPLOYMENT

Self-employment

Mr. David Howell: To ask the Secretary of State for Employment whether the fact that a self-employed worker on the enterprise allowance scheme or otherwise has only one initial client for his services constitutes a valid reason for denying or refusing such work a self-employed status.

Mr. Cope: The employment status of workers for tax and national insurance purposes is determined on a case by case basis. The number of clients will be one of the factors taken into account in deciding whether a person is self-employed.

Mr. David Howell: To ask the Secretary of State for Employment what estimates he has of the number of employees who would become self-employed if employers and workers were able to agree such status, free from existing legal constraints.

Mr. Cope: Employers and employees are, in general, free to agree whatever contractual arrangements they wish. For tax and national insurance purposes, self-employed status applies only to those people who are genuinely taking the business risks associated with self-employment. We can make no estimate of the numbers who might be affected by a change in these arrangements.

Mr. David Howell: To ask the Secretary of State for Employment how many cases in which employed or self-employed status was in dispute came to the attention of officials in his Department in 1987.

Mr. Cope: Questions about employment or self-employment status are primarily a matter for the Inland Revenue and Department of Health and Social Security. However, Ministers received 30 representations about cases concerning employment status in 1987. This excludes cases and inquiries handled by the small firms service.

Mines and Quarries Act 1954

Mr. Illsley: To ask the Secretary of State for Employment what responses he has received to the consultative document entitled "Restrictions on Employment of Young People and the Removal of Sex Discrimination in Legislation which refers to the Mines and Quarries Act 1954"; and whether these will be placed in the Library.

Mr. Nicholls: My Department has received a total of 81 responses to the consultative document from various organisations and individuals. They will not be placed in the Library for reasons of confidentiality.

Special Learning Needs

Mr. Ashley: To ask the Secretary of State for Employment what specialist courses will be available under the new training scheme to bridge the skills gap for those with special learning needs.

Mr. Nicholls: Employment training will offer all participants an individual action plan, drawn up to meet their particular training needs. This may involve training designed specifically for those people with learning difficulties.

Disabled Persons

Mr. Ashley: To ask the Secretary of State for Employment what steps he intends to take so that training agents and managers in the new programme are aware of the potential of people with disabilities and of the help available to assist them where appropriate.

Mr. Nicholls: Employment training will cater for the needs of all unemployed including those with disabilities. The MSC will ensure this in a number of ways. A guide for trainers of disabled participants will be produced together with a handbook for both training agents and training managers. Awareness modules will also be organised and a short presentation video produced.

Sexual Harassment

Ms. Harman: To ask the Secretary of State for Employment if he will make a statement about equal opportunities and protection from sexual harassment in Manpower Services Commission training.

Mr. Nicholls: The Manpower Services Commission is committed to, and actively implements, a policy of equal opportunities throughout its training programmes. The commission will not tolerate sexual harassment by its officials, its training providers or by its trainees.

Departmental Spending

Mr. McLeish: To ask the Secretary of State for Employment how much was spent by the Manpower Services Commission and his Department for each of the years 1985, 1986 and 1987 and in each of the standard regions on *(a)* direct employment services for the disabled in jobcentres, *(b)* disabled resettlement officers and *(c)* advertising and promotional material.

Mr. Lee *[holding answer 17 May 1988]:* I regret that the information for *(a)* is not available. Information at *(b)* is not available by region, but nationally is estimated as: 1985-86 — £7·1 million; 1986-87 — £7·1 million; 1987-88—£7·4 million. Exact figures are not available as jobcentre costs are not separately apportioned between DROs and other jobcentre staff. Information for *(c)* is not available by region, but nationally is 1985-86 — £223,000; 1986-87—£201,000; 1987-88—£488,000.

HOUSE OF COMMONS

Cleaning Staff

Ms. Walley: To ask the hon. Member for Berwick upon Tweed, answering on behalf of the House of Commons Commission, whether he is operating a vacancy discount system to the cleaning staff establishment; how long each of the 16 unfilled vacancies have been unfilled; which posts are currently in the process of being filled; what instructions have been given to reduce the cleaning specifications; and what assessment he has made of the adequacy of standards of cleanliness.

Mr. Beith: No. As I indicated in my reply to the hon. Lady on 17 May 1988, at column *436*, the difference between the complement of posts and cleaning staff employed represents the number of unfilled vacancies due to the steady and continuous turnover of staff. Two additional cleaning staff began work on 16 May 1988, reducing the shortfall against complement from 14 to 12. Another recruitment exercise is in progress, with a closing date for applications of 20 May 1988. No instructions have been given to reduce the cleaning specification. I understand that the Accommodation and Administration Sub-Committee plans to review the adequacy of standards of cleanliness.

TRANSPORT

National Bus Company

Mrs. Dunwoody: To ask the Secretary of State for Transport what inquiries he made as to the status of purchasers of National Bus Company assests in relation to the holding of public service vehicle licences before the National Bus Company's assets were sold.

Mr. David Mitchell: Before putting forward its proposals for disposal of subsidiary companies NBC took steps to satisfy itself about the suitability of prospective purchasers including, where appropriate, their status as PSV operators.

London Underground

Mr. Spearing: To ask the Secretary of State for Transport what is the basis of the current statutory rules relating to the operations of one-person deep tube railways in London, other than the Victoria line; on what date they commenced; and what was the respective preceding instrument.

Mr. David Mitchell: Section 2 of the London Regional Transport Act 1984 makes London Regional Transport

statutorily responsible for the safe running of its railways. There are no statutory rules relating specifically to one-person-operation. However, the criteria adopted for one-person-operation were drawn up by London Underground Limited in consultation with the Railway Inspectorate.

Channel Tunnel

Mr. Austin Mitchell: To ask the Secretary of State for Transport what steps he proposes to take to ensure that the owners of the Channel tunnel do not reduce their fares to less than the full cost, including interest payments on capital, in order to force the Channel ferries out of business.

Mr. David Mitchell: Under the Channel fixed link treaty and concession agreement, Eurotunnel is free to set tariffs without Government interference. It is, however, subject to national and Community competition law. Any necessary action would be for the Director General of Fair Trading and the European Commission or, since Community law is of direct effect, for private parties in the courts.

Mr. Austin Mitchell: To ask the Secretary of State for Transport whether he will publish in the *Official Report* *(a)* the projected cross-Channel passenger and freight traffic for 1987 as given or implied in his Department's 1973-74 report on the economics of the Channel tunnel, *(b)* the assumed level of fares and rates in 1987 in terms of 1987 prices and *(c)* the realised 1987 figures in each case.

Mr. David Mitchell: The forecasts to which the hon. Member refers are those in a report by Coopers and Lybrand Associates Ltd. presented to the then Secretary of State for the Environment on 31 May 1973. These forecasts were published by Her Majesty's Stationery Office in "The Channel Tunnel: A United Kingdom transport cost benefit study."

Section V of the report deals with traffic between Britain and Europe in the absence of a Channel tunnel and includes passenger and freight forecasts (tables 5.1 and 5.2). These forecasts relate to 1980 and 1990. The table compares the actual figures for passengers and freight in 1986, the latest year for which full figures are available, with the forecasts given in the report for 1980 and 1990.

	Forecast		*Actual*
	1980	*1990*	*1986*
PASSENGER TRAFFIC (000's)			
Shipping services:			
Accompanied vehicle passengers	9,230	19,331	14,000
Other passengers	7,756	10,718	7,300
Air services:			
passengers	29,778	63,221	33,200
Total passengers	46,764	93,270	54,500
FREIGHT TRAFFIC (tonnes 000's)			
Roll-on/Roll-off and container traffic	13,139	25,283	23,800

The forecasts assumed that fares and rates would remain at the 1971 level in real terms (except for a 20 per cent. increase in real terms on the Belgian straits shipping routes). As I indicated in my reply to a question from the hon. Member for Stretford (Mr. Lloyd) on Friday 13 May, at column *275*, the Department has no responsibility for ferry fares and does not compile records of ferry fare levels.

Welsh Language

Mr. Wigley: To ask the Secretary of State for Transport what is his policy with regard to dealing with individuals and bodies in Wales who wish to communicate with his Department through the medium of the Welsh language.

Mr. Peter Bottomley: The Department's policy is to answer communications written in languages other than English in the same language, when practicable. Where there are time constraints, a reply in English is given. At the driver and vehicle licensing centre in Swansea, letters written in the Welsh language are answered in the same medium.

Mr. J. M. Heron (Accident)

Mr. Strang: To ask the Secretary of State for Transport if he will make a statement on the recent accident to Mr. Herron, a seaman on the P and O vessel European Trader, and what information he has as to Mr. Herron's previous maritime experience.

Mr. David Mitchell: It is assumed that the person referred to in the question is Mr. J. M. Heron who is a seaman on the European Trader. It is understood that Mr. Heron suffered bruising to his legs in an incident during mooring on 15 May.

Mr. Heron passed the examination for an efficient deck hand certificate in 1984.

Associated British Ports (No. 2) Bill

Mr. Barron: To ask the Secretary of State for Transport, pursuant to the answer of 16 May, *Official Report*, column *364*, what specific aspects of the Associated British Ports (No. 2) Bill he discussed with the chairman of Associated British Ports at their meeting on 24 February; and if he will make a statement.

Mr. David Mitchell: The chairman explained ABP's proposals for developments at King's Lynn, Port Talbot and Immingham. It is perfectly normal and proper for the chairman of a major port undertaking to keep Ministers informed from time to time about developments affecting their ports. Among other things, he informed my right hon. Friend the Secretary of State of the extent of the opposition to this Bill and of the petitions against it.

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This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc, between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes.

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Abbreviations

Bills 1R = first reading, 2R = second reading, Money res = money resolution, Com = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

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